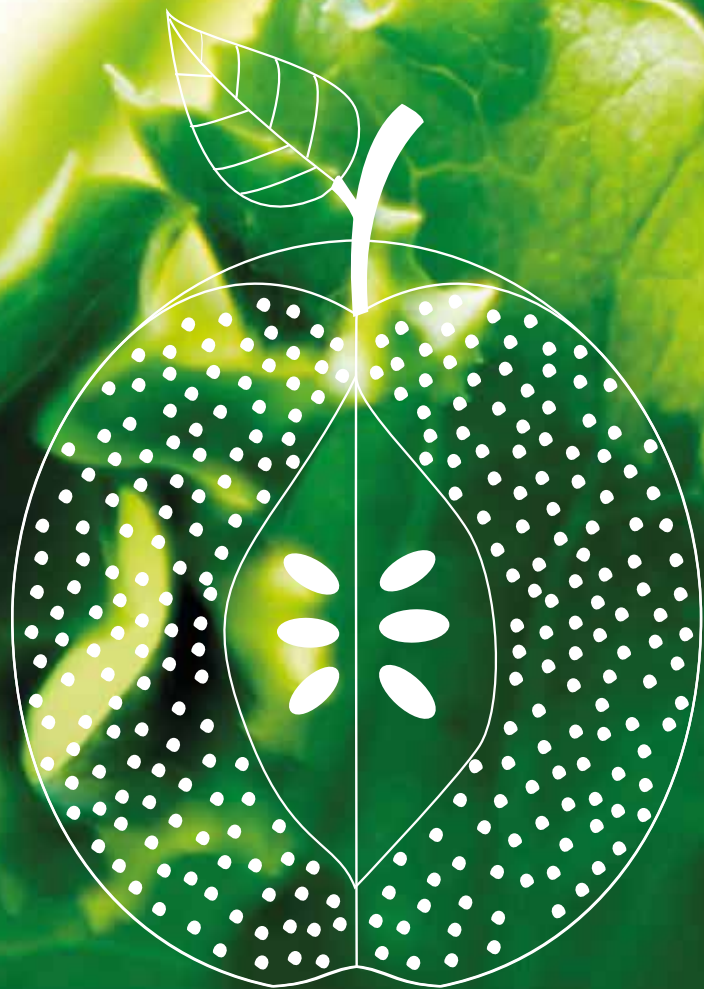


2015

**IN THE
JERÓNIMO MARTINS
GROUP**

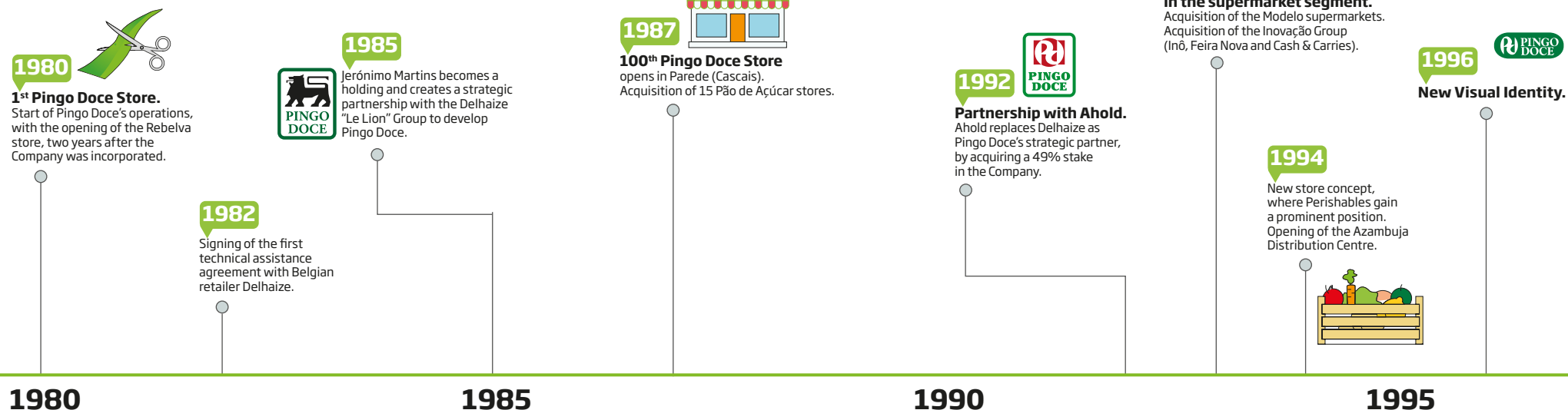


2015

IN THE JERÓNIMO MARTINS GROUP

This document is a simplified version of the Jerónimo Martins Group's 2015 Annual Report. The full version of the Annual Report is available at www.jeronimomartins.pt.

TIMELINE



2015 IS A DUAL CELEBRATION YEAR AT THE JERÓNIMO MARTINS GROUP. WE ARE CELEBRATING PINGO DOCE'S 35TH AND BIENDRONKA'S 20TH ANNIVERSARIES.

1995
Acquisition of the Eurocash Cash & Carry chain.
Start of the Biedronka project.

1997  **1997**
Purchase of Biedronka, through the acquisition of 243 stores from the discount chain.

1998

Pingo Doce Online is created, the first virtual supermarket in Portugal.



2002

Opening of the Azambuja Fruit Warehouse.

2003

Opening of the Azambuja Fish Warehouse.



2004

New commercial strategy: Implementation of the Every Day Low Price policy, which represented a turnaround in the commercial strategy.

2005

Environmental and Food Safety Certification of the Azambuja, Vila do Conde and Guardêiras Distribution Centres. Creation of the figure of the Customer Ombudsman.



2006

1st "Bem-Estar" space opens in Linda-a-Velha. Inauguration of the Vila Nova da Rainha Warehouse. Partnership with Daymon Worldwide, essential for developing Private Brand products.



2007

1st company in the world to obtain certification of the Private Brand product development process. 1st "Refeições no Sítio do Costume" restaurant opens in Linda-a-Velha.

2008

New visual identity. Pingo Doce/Feira Nova merger and integration of 77 Plus stores. Opening of the Non-Perishables Warehouse in Laúndos. Opening of the Alcochete Distribution Centre.



2012

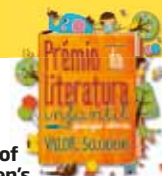
Action giving 50% discount on all products, carried out on May 1, marks a new strategy for immediate savings campaigns.

2013

Launch of the Poupa Mais (Save More) card, in partnership with BP.

2014

1st Edition of the Children's Literature Competition. Inauguration of the Algoz Distribution Centre and implementation of a new logistics model. **Store N.º 385**



2015

35TH ANNIVERSARY



2000

2005

2010

2015

1999

Opening of the Wyszaków Distribution Centre. Acquisition of 57 stores from the German chain, TIP.



1998

Launch of the first Private Brand product, V.I.P. beer. Opening of the Lubin Distribution Centre.

2002

New Visual Identity.



2004

Biedronka is a SuperBrand. Achievement of the SuperBrands award, attributed for the first time to a retail chain in Poland.

2005

Opening of the Kostrzyn Distribution Centre.

2006

Inauguration of the first pharmacy in partnership with Associação Nacional de Farmácias (National Pharmacy Association - Portugal). Opening of the Wojnicz Distribution Centre.

APTEKA + NA ZDROWIE

2007

1,000 STORES



2010

Opening of the Skarbmierz Distribution Centre. **Store N.º 1,500**



2008

Acquisition of Plus Discount and integration of 193 stores into the Biedronka chain. Opening of the Mszczonów Distribution Centre.

2012

Sponsorship of the Polish National Football Team. Opening of two new Distribution Centres in Ruda Śląska and Sieradz. **Store N.º 2,000**

2013

Implementation of a strong expansion plan which included two new Distribution Centres and 280 new stores.

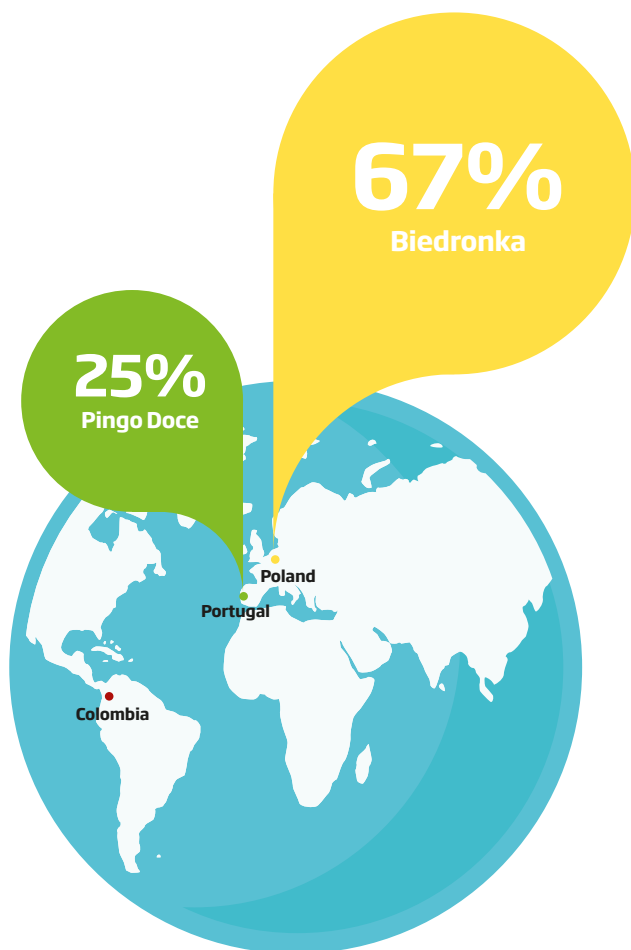
2015

20TH ANNIVERSARY



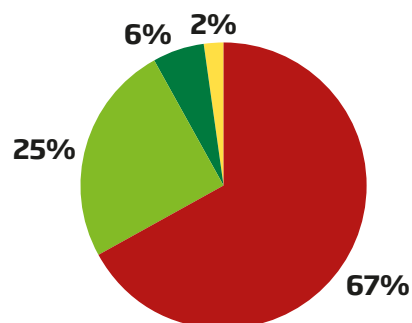
TOP INDICATORS 2015

CONTRIBUTION TO SALES BY BANNER



SALES (billion euros)

13.7



● Biedronka ● Pingo Doce ● Recheio ● Others

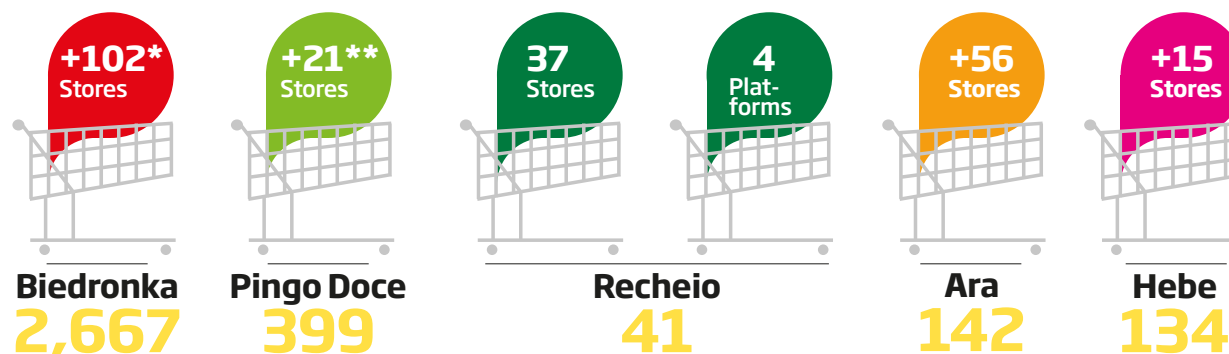
EBITDA (million euros)

800

NET RESULT (million euros)

333

NUMBER OF STORES



* Considering the closure of 22 stores, the expansion of the chain during this period was 80 stores.

** Considering the closure of two stores, the expansion of the chain during this period was 19 stores.

IN JERÓNIMO MARTINS GROUP, WE SEEK TO MANAGE IN A BALANCED WAY THE RELATIONSHIP BETWEEN ECONOMIC PROSPERITY, SOCIAL DEVELOPMENT AND ENVIRONMENTAL PRESERVATION.

Respecting the Environment

Efficient resource management, linked to the preservation of the environment is essential for the sustained growth of our businesses.



Promoting Good Health through Food

We are committed to improving the quality of life of consumers through food and the promotion of responsible consumption.



Sourcing Responsibly

We seek to incorporate ethical and environmental concerns into supply chains in order to foster a gradual and sustained improvement in the impacts of our activities.



Supporting Surrounding Communities

We are paying increasing attention to situations of need in the surrounding communities, endeavouring to promote social cohesion and breaking the cycles of poverty and malnutrition.



Being a Benchmark Employer

We seek to provide balanced and competitive wage policies, a healthy and challenging workplace and the professional and personal development of our employees.



JERÓNIMO MARTINS TEAM

We are more than **89,000** people in Portugal, Poland and Colombia.

77%
Women
23%
Men



Management positions
67%
Women
33%
Men



85%
full time
15%
half-time



66%
Effective
34%
Not effective



MESSAGE FROM THE CHAIRMAN

At the start of the year, it was clear to us that we would have to be capable of doing more and better, especially at Biedronka, where the key challenge is to continuously reinforce the Company's focus on the customer

The year 2015 was of dual celebration at the Jerónimo Martins Group, with Biedronka and Pingo Doce marking important milestones in their history: their 20th and 35th anniversaries, respectively.

Throughout the decades of activity of each of these banners, they have been increasing their weight within the Group's business, representing more than 90% of Jerónimo Martins' consolidated sales at the end of 2015.

After 2014 being a year that put European food deflation and intense promotions at the centre of our challenges, we began 2015 better prepared, with sales performance and increased market shares as the main priorities for all the banners.

At the start of the year, it was clear to us that we would have to be capable of doing more and better, especially at Biedronka, where the key challenge is to continuously reinforce the Company's focus on the customer, particularly in urban areas. During the year, the teams worked on reviewing the assortment and reinforcing innovation in categories identified as being increasingly important,

whilst simultaneously making a stronger integrated approach to address the challenges and opportunities.

With the economy growing, the unemployment rate dropping, salaries increasing and very strong competitive dynamics in the food retail sector, Polish households saw an improvement in their disposable income, which was confirmed by the increase in private consumption.

We have always stated that we keep identifying growth potential in the Polish market, mainly through an increase in the value of the shopping basket, and so Biedronka will continue to be our main investment priority.

Overall, the work carried out regarding an overall improvement to the offer and the selective opening of new locations (80 new stores, 48 of which in cities with over 100 thousand inhabitants), meant that the heightened deflation in Poland, which almost doubled from -0.9% to -1.7% in 2015, did not prevent Biedronka from performing above the market. Total sales increased by 9.2% and on a like-for-like store network basis, the increase was 3.2%.

In Portugal, food inflation stood at 1%, reflecting the increase in the price of non-processed food. The environment in 2015 remained tough, with consumers continuing to be very rational in their purchasing and strongly taking advantage of the best savings opportunities presented by food retailers.

In line with previous years, Pingo Doce continued to invest in intense promotional activity, whilst at the same time reinforcing its investment in improving its customers' shopping experience through an ambitious store refurbishing programme and an improvement in service levels. On this particular, the re-opening of the Telheiras store in Lisbon was an important and inspirational milestone for Pingo Doce and the Group.

Consumers reacted positively to the Company's efforts and there was an accelerated like-for-like sales growth in 2015, reaching 4.6% (excluding fuel) which, combined with the 19 store openings in the chain, led total sales to increase by 5.4%.

I believe this to be a notable performance at all levels, especially taking into account the fact that there has not yet been a consistent improvement in the financial situation of Portuguese households.

The improvement seen in the HoReCa channel, linked to Recheio's strong position and leading role, led to a solid 4.1% increase in the Company's sales in absolute terms and 3.5% when considering the like-for-like. It is hoped that the Food Service business will continue to be a source of growth for Recheio, which is also continuing to invest in protecting its traditional retail customer base through the Amanhecer chain.

With regard to the new businesses, Hebe inaugurated 15 stores during the year and had sales in excess of 100 million euros. In 2015, the Company's priority was to better adapt its overall offer and to reinforce its differentiating features.

In Colombia, in line with the defined strategy, Ara opened its second Distribution Centre to support the operation



in a new region - the Caribbean Coast - where, at the end of the year, we already had 41 stores. In total, Ara ended the year with 122.5 million euros of sales and 142 stores.

The business in Colombia has been a very stimulating learning experience, as the diversity that exists between the various regions of the country is reflected in quite different consumption patterns, which means that we have to be capable of making our model flexible and streamlined in order to ensure that we are of increasing relevance to the consumers we want to serve, regardless of the part of the country in which they live.

As a Group, we increasingly view Colombia as a base that will support the future growth we want to build in the region and so as we further our knowledge of its people, its potential and opportunities, we reinforce our commitment to the country, as well as of our confidence in its institutions.

In the first nine months of the year, the development of our businesses and the strengthening of our

competitive positions in all the markets in which we operate enabled us to recognise that the objectives set for the year would be achieved. At the same time, we had excess cash compared to our forecast.

As such, and as that capital was not required to carry out the defined investment plan, at its meeting on 4th November the Board of Directors decided to propose a Shareholders' Meeting be held to vote on the distribution of free reserves in the amount of around 235 million euros, which was approved by 99.9% of the Shareholders, with the payment being made at the end of the year.

In a year in which we clearly set a growth in sales and in market shares as our common priorities, total sales rose 8.3% to 13,728 million euros, supported by a like-for-like growth in all the banners and also by the selective expansion efforts (which absorbed around 224 million euros of investment, i.e. a little more the half of the total for the year).

2015 was also the year in which all the teams worked on defining the mid to long-term strategic and operating plans, setting clear goals until 2020.

On the closure of the 2015 accounts Jerónimo Martins posted an increase in EBITDA of 9% compared to 2014, to approximately 800 million euros, which reflects the solid combination of the good consolidated sales performance and the discipline and rigour applied to cost management in Portugal and in Poland.

The EBITDA margin was 5.8%, in line with the previous year, after considering the deflation which deteriorated in Poland and the investments carried out by the Companies to reinforce their competitiveness and to create promotional opportunities that are material to the consumers.

Consequently, net profit attributable to Jerónimo Martins increased by 10.5% to 333.3 million euros.

In a year in which we clearly set a growth in sales and in market shares as our common priorities, total sales rose 8.3%.

The cash flow generated at a Group level increased from 267 million euros in 2014 to 482 million euros in 2015, whilst the solidity of the balance sheet led to a reduction in gearing from 16.7% to 11.7%, even after the payment of free reserves.

In view of these results, which demonstrate the healthy combination of operational excellence and the solidity of the Group's balance sheet, and as we do not foresee any short-term extraordinary business investment needs, the Board of Directors will once again propose to the shareholders an additional payment of 166.5 million euros by means of dividends, which is the equivalent of a gross remuneration of 0.265 euros per share. This proposal will not in any way affect the robustness of Jerónimo Martins' capitalisation, whose free reserves will be 83 million euros after paying the proposed dividend.

We believe that as the strength of the balance sheet and the ability to carry through the defined investment plans and seize any non-organic growth opportunities are

safeguarded, it is good management practice to return to the shareholders the money that the company does not need to ensure its profitable and sustainable growth, so that they may invest it as they deem fit.

In these first months of 2016, in which Biedronka and Pingo Doce welcomed their new General Managers and Ara is celebrating its third anniversary, I should like to personally and on behalf of the management team, thank the investors for the trust we have felt throughout the demanding times in 2015. I should also like to leave a word of our determination and commitment to making 2016 another valuable and significant story.



Pedro Soares dos Santos

1st March, 2016

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I. WHO WE ARE

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1. PROFILE AND STRUCTURE

The Group has a leading position in Food Retail in Portugal and in Poland and has recorded 13.7 billion euros of sales in 2015 and growth in key business areas.

1.1. IDENTITY AND RESPONSIBILITIES

ASSET PORTFOLIO

Jerónimo Martins is a Group that has assets in the Food area, mostly in Distribution, with market leadership positions in Poland and Portugal. In 2015, it achieved sales of 13.7 billion euros (67% in Poland) and an EBITDA of 800 million euros (80% in Poland). The Group has a total of 89,027 employees and ended the year with a market capitalisation of 7.5 billion euros on the NYSE Euronext Lisboa.

In Poland, **Biedronka**, a chain of food stores with a positioning that combines the quality of its assortment, store environment and proximity locations with the most competitive prices in the market, is the Food Retail sales leader, operating 2,667 stores spread across the entire country. At the end of 2015, the Company reached

9.2 billion euros of sales, recording around 1.3 billion customer tickets. Also in Poland, since May 2011, the Group has a chain in the drugstore sector, under the **Hebe** banner, which has 134 stores, including an Apteka Na Zdrowie pharmacy. This business concept is based on the offer of a Health and Beauty assortment with high quality services at a very competitive price.

In Colombia, **Ara** currently operates in two regions of the country: the Coffee Growing Region and since September 2015, the Caribbean Coast. Ara operates proximity food stores, mostly set-up in residential neighbourhoods. Ara is positioned as a chain of quality products at the best prices, combining competitiveness with promotional opportunities in key categories to the Colombian consumer. At the end of the year, Ara was operating in 142 locations.

In Portugal, the Jerónimo Martins Group holds a leading position in Food Distribution, having reached a combined



turnover of 4.2 billion euros in 2015. It operates with the banners **Pingo Doce** (399 supermarkets) and **Recheio** (37 cash & carries and four platforms, three of them related to Food Service), which are leaders in the Supermarket and Cash & Carry segments, respectively.

Also in Portugal, through Pingo Doce, Jerónimo Martins has invested in developing projects that are complementary to the Food Retail business, namely **Refeições no Sítio do Costume** Restaurants and Take Away, Petrol Stations and **Bem-Estar** Stores, as well as through the **New Code** (adults and children's clothing) and **Spot** (shoes and accessories) banners. These last two through partnerships with specialised operators.

The main objective of **Jerónimo Martins Agro-Alimentar (JMA)** is to have direct access to the supply of strategic products, thereby guaranteeing the Group's internal needs, most specifically in the areas of dairy products and beef.

Through its partnership with Unilever and operating under the name of **Unilever Jerónimo Martins**, the Group is also the largest manufacturer of fast-moving consumer goods in Portugal, in the area of Food, Personal Care, Home Care and Out-of-Home consumption. This Company holds leadership positions in the Margarines, Ice Tea, Ice-Creams and Washing Detergents markets, among others.

Also within the area of Manufacturing, the partnership with Unilever is extended to **Gallo Worldwide**, operating in the Olive Oil, Vinegar, Olives and Vegetable Oil business. In 2015, the Company sold to over 30 countries, including Portugal, becoming the 2nd largest olive oil brand in the world.

In Portugal, the Group's portfolio also includes a business area geared towards Marketing, Representations and Restaurant Services, integrating the following businesses:

Jerónimo Martins Distribuição de Produtos de Consumo, which is the representative of international food brands in Portugal, some of which are market leaders in mass market food.

Jerónimo Martins Restauração e Serviços is engaged in the Restaurant Services sector and at the end of 2015 included: the Jeronymo chain of kiosks and coffee shops, with 18 points of sale, and the Olá chain of ice-cream parlors, with 30 stores, five of which are franchised.

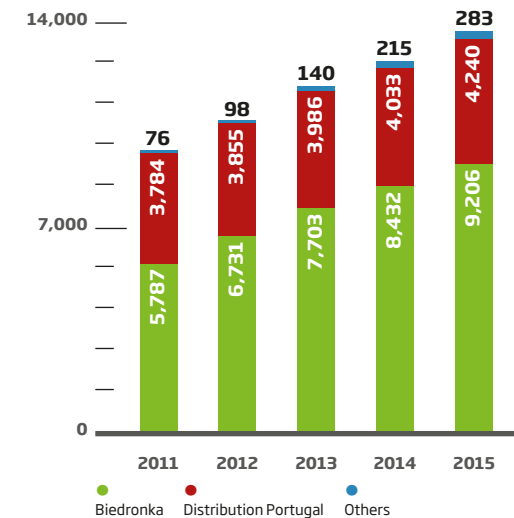
Hussel, a Specialised Retail chain selling chocolates and confectionery, had 27 stores at the end of 2015 (including three "Giro by Hussel" kiosks).

1.2. OPERATING AND FINANCIAL INDICATORS

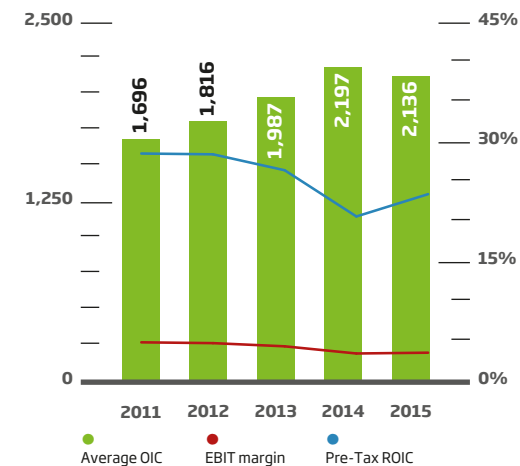
SALES, EBITDA MARGIN & EBIT MARGIN
€'000,000



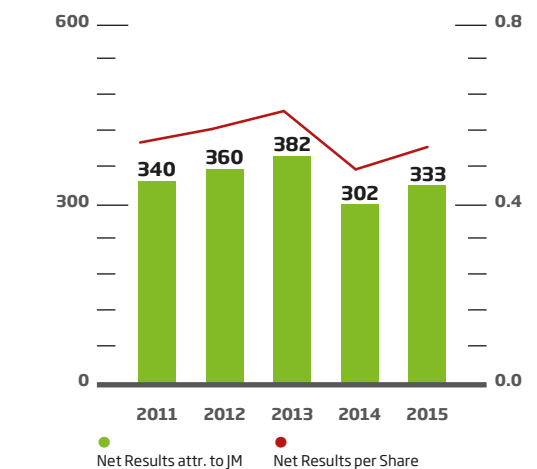
SALES & SERVICES
€'000,000



PRE-TAX ROIC
€'000,000

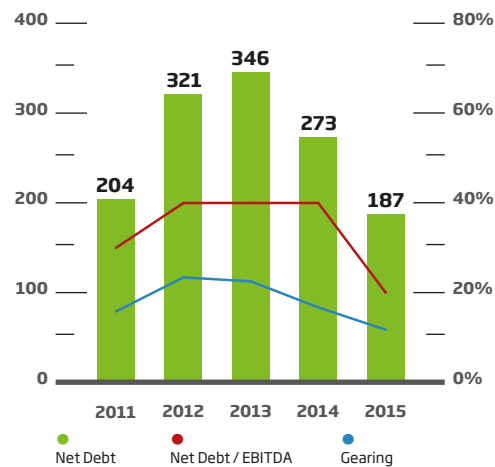


NET RESULTS AND NET RESULTS PER SHARE
€'000,000

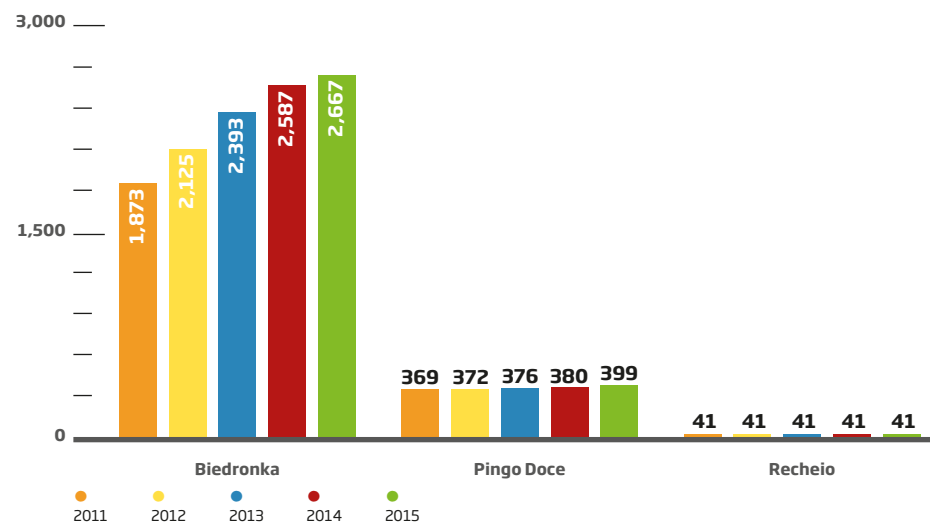


NET DEBT

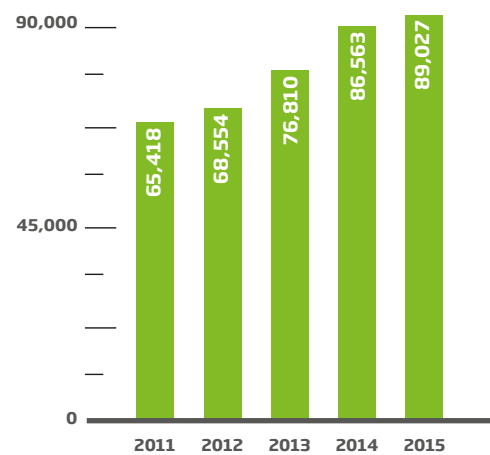
€'000,000



NUMBER OF STORES

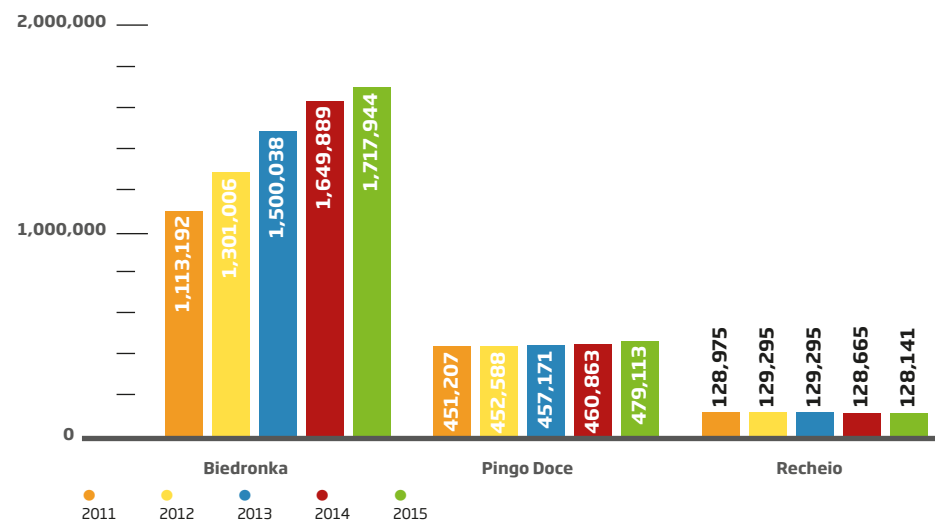


EMPLOYEES



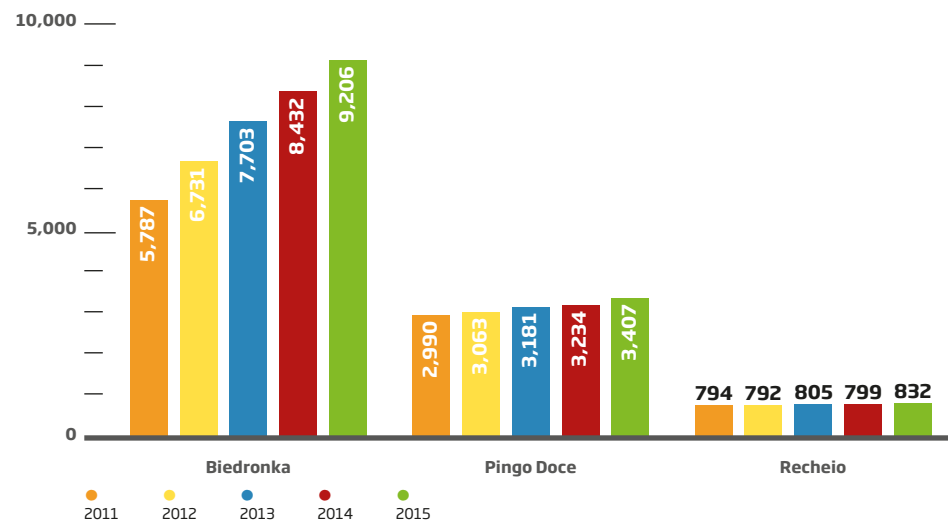
SALES AREA

sqm



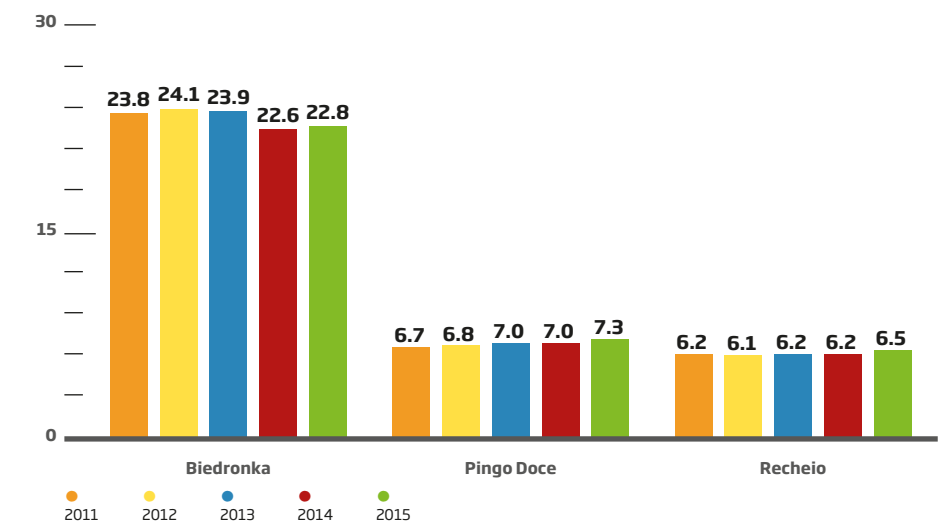
SALES

€'000,000

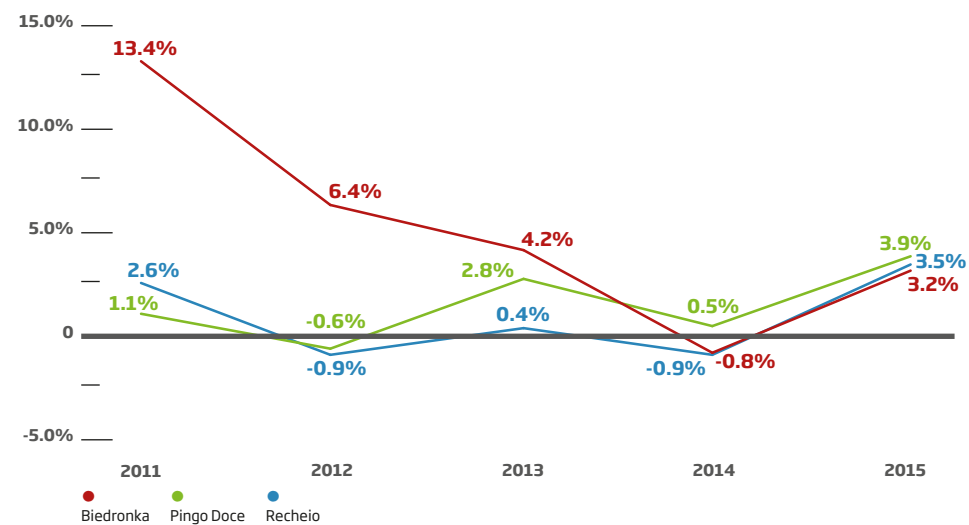


SALES/ SQM

local currency ('000)

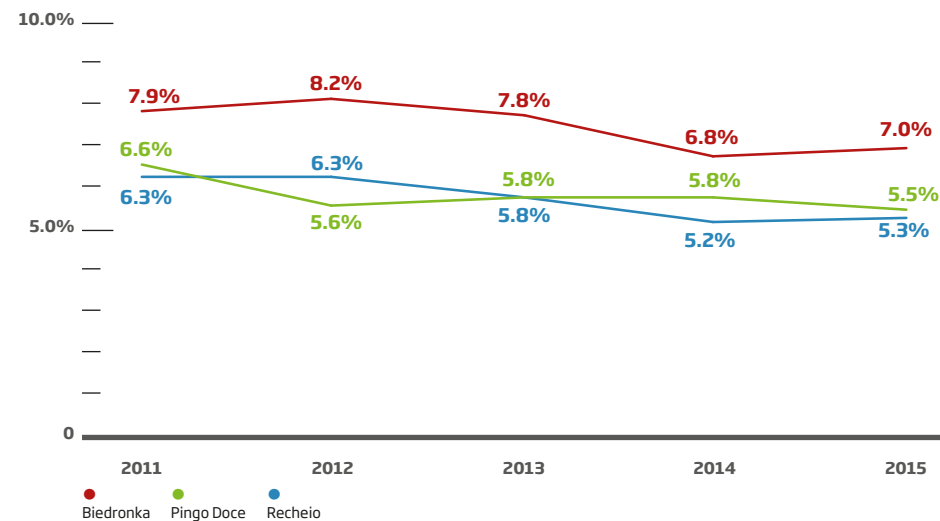


LFL SALES GROWTH



EBITDA MARGIN

% of sales



1.3. CORPORATE BODIES AND STRUCTURE

1.3.1. CORPORATE BODIES

Election date: 10th April, 2013

Composition of the Board of Directors elected for the 2013-2015 term



PEDRO SOARES DOS SANTOS

BORN ON 7TH MARCH, 1960

- Chairman of the Board of Directors, since December 2013
- Chief Executive Officer of the Group, since April 2010
- Member of the Board of Directors, since 1995
- Chairman of the Corporate Governance and Corporate Responsibility Committee, since December 2013



ALAN JOHNSON

BORN ON 18TH SEPTEMBER, 1955

- Member of the Board of Directors, since March 2012



ANDRZEJ SZLEZAK

BORN ON 7TH JULY, 1954

- Member of the Board of Directors, since April 2013
- Member of the Corporate Governance and Corporate Responsibility Committee, since April 2013



ANTÓNIO VIANA-BAPTISTA

BORN ON 19TH DECEMBER, 1957

- Member of the Board of Directors, since April 2010
- Member of the Audit Committee, since April 2010



ARTUR STEFAN KIRSTEN

BORN ON 22ND FEBRUARY, 1961

- Member of the Board of Directors, since 9th April 2015



CLARA CHRISTINA STREIT

BORN ON 18TH DECEMBER, 1968

- Member of the Board of Directors, since 9th April 2015



FRANCISCO SEIXAS DA COSTA

BORN ON 28TH JANUARY, 1948

- Member of the Board of Directors, since April 2013
- Member of the Corporate Governance and Corporate Responsibility Committee, since April 2013



HANS EGGERSTEDT

BORN ON 12TH MARCH, 1938

- Member of the Board of Directors, since 2001
- Chairman of the Audit Committee, since 2007



HENRIQUE SOARES DOS SANTOS

BORN ON 7TH NOVEMBER, 1968

- Member of the Board of Directors, since 9th April, 2015
- Member of the Corporate Governance and Corporate Responsibility Committee, since 23rd April, 2013



JOSÉ SOARES DOS SANTOS

BORN ON 6TH APRIL, 1962

- Member of the Board of Directors from 2004 until 9th April 2015
- Member of the Corporate Responsibility Committee and later of the Corporate Governance and Corporate Social Responsibility Committee, since April 2010



NICOLAAS PRONK

BORN ON 2ND OCTOBER, 1961

- Member of the Board of Directors, since 2007



SÉRGIO TAVARES REBELO

BORN ON 29TH OCTOBER 1959

- Member of the Board of Directors, since April 2013
- Member of the Audit Committee, since April 2013

STATUTORY AUDITOR AND
EXTERNAL AUDITOR
PricewaterhouseCoopers
& Associados - Sociedade de
Revisores Oficiais de Contas, Lda.
Palácio Sottomayor, Rua Sousa
Martins, 1 - 3rd floor,
1050-217 Lisbon

Represented by:
José Pereira Alves (Chartered
Accountant no. 711) or António
Joaquim Brochado Correia
(Chartered Accountant no. 1076)

Substitute:
José Manuel Henriques Bernardo

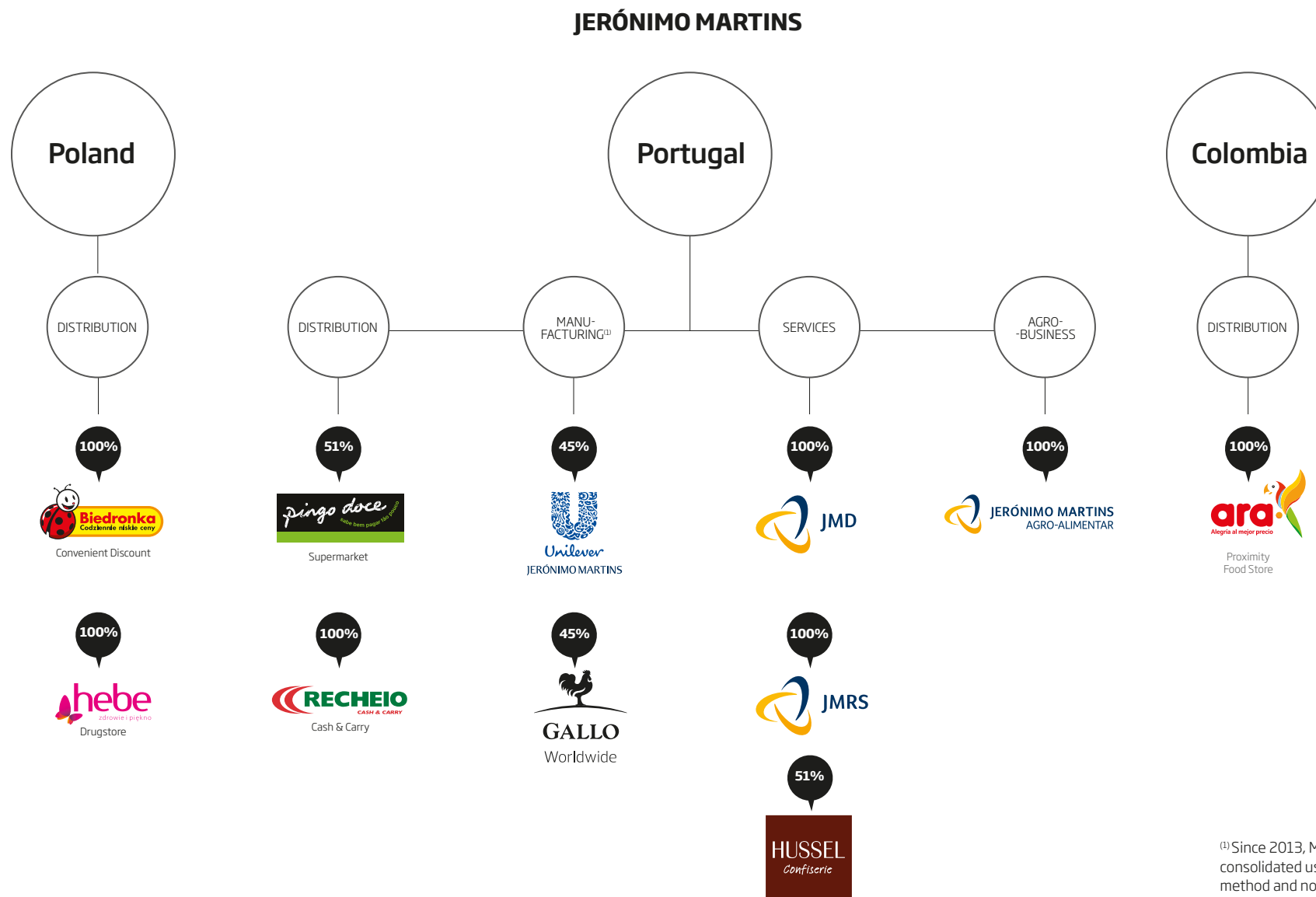
COMPANY SECRETARY
Ana Luísa Abreu Coelho Virgínia

Substitute:
Carlos Miguel Martins Ferreira

CHAIRMAN OF THE GENERAL
SHAREHOLDERS' MEETING
Abel Bernardino Teixeira Mesquita

SECRETARY OF THE GENERAL
SHAREHOLDERS' MEETING
Tiago Ferreira de Lemos

1.3.2. BUSINESS STRUCTURE



⁽¹⁾ Since 2013, Manufacturing is consolidated using the equity method and not included in the figures here presented.

RESULTS OF JERÓNIMO MARTINS GROUP

2015 SALES

13.7

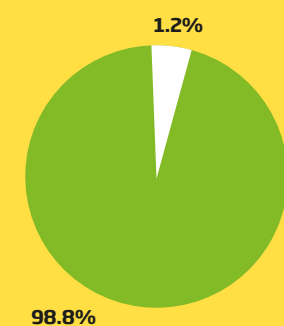
Billion euros

2015 EBITDA

800

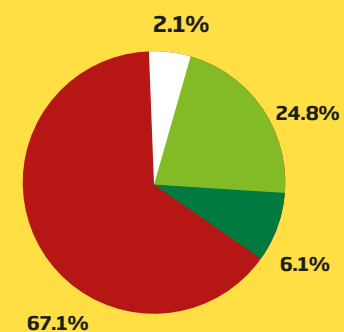
Million euros

STRUCTURE



● Distribution ● Others

SALES BY BUSINESS AREA 2015



● Biedronka ● Pingo Doce ● Recheio ● Others

EBITDA BY BUSINESS AREA 2015

million euros

	EBITDA	Total
Biedronka	641	80.2%
Pingo Doce	188	23.5%
Recheio	44	5.5%
Others	-73	-9.2%
JM	800	100%

2. STRATEGIC POSITIONING

As key pillars for its mission and within the scope of its approach to Corporate Responsibility, Jerónimo Martins adopts continuous and sustainable value creation and growth.

2.1. MISSION

Jerónimo Martins is an international Group with its head office in Portugal, operating in Food Distribution and Food Manufacturing, aiming to satisfy the needs and expectations of its stakeholders and the legitimate interests of its shareholders in the short, medium and long term, while simultaneously contributing towards the sustainable development of the regions in which it operates.

Jerónimo Martins' Corporate Responsibility focuses on its contribution towards improving the quality of life in the communities where the Group operates. This, by providing healthy products and food solutions, being actively responsible in its purchases and sales, defending human rights and working conditions, stimulating a more cohesive and balanced social structure and respecting the environment and natural resources.

2.2. STRATEGIC VISION

CREATING VALUE AND GROWTH

The Group's strategic guidelines for creating value are based on four aspects:

- 1.** Continuous promotion of sustainable growth;
- 2.** Careful risk management to preserve the value of its assets and to reinforce the robustness of its balance sheet;
- 3.** Maximisation of the effect of scale and synergies;
- 4.** Encouragement of innovation and a pioneering spirit as factors for developing competitive advantages.

These four aspects aim to achieve the following strategic objectives:

- To achieve and consolidate a leadership position in the markets where it operates;
- To build and develop strong and responsible banners and brands;
- To ensure balanced growth of sales and profitability of its business units.

In pursuing these objectives, the Group Companies carry out their activities using the following guidelines:

- Strengthening their price competitiveness and value proposition;
- Improving their operational efficiency;
- Incorporating technological upgrading;
- Identifying opportunities for profitable growth.



2.3. OPERATING PROFILE

Our operational positioning reflects a clear value food retail approach, where the focus on value and mass market strategy define our presence in the market.

The Group offers, in a convenient and closely way, food solutions for all consumers, at very competitive prices, which requires operating with maximum efficiency and lean cost structures. All our value propositions are marked by strong differentiation in three essential aspects: variety and quality of fresh food, strong brands and quality store environment.

The success of our formats is leveraged on our market leadership. Leadership within a mass market approach is linked to relevant size, which is essential for creating economies of scale that enable us to be cost leaders and thus allows us to offer the best prices. Furthermore, it is leadership that enables us to create notoriety and trust, which is essential for building lasting relationships with strategic business partners and with our consumers.



3. AWARDS AND RECOGNITION

CORPORATE

- The Jerónimo Martins Group climbed three positions in the **Global Powers of Retailing 2016** ranking, compared to the previous year's edition, to become ranked as the 59th largest retail company in the world. The study, conducted by Deloitte, in partnership with the North American magazine "Stores", was based on 2014 financial information and shows that the Jerónimo Martins Group jumped eight places in just two years;
- The Group was awarded the **Founder Award** by Junior Achievement, in recognition of the role it has played in founding and promoting the institution's success since it was created in Portugal, in 2005;
- The internal publication "Less is More" aimed at raising awareness on the fight against waste, won various awards attributed by the magazine "**Meios & Publicidade**", by the North American **Content Marketing Institute**, by the **SPD Awards** and by the **SPD Awards** and **Pearl Awards**;
- The Group was also awarded the prizes **National Champion** and **Ruban d'Honneur** by the **European Business Awards** in the category "The Award for Environmental & Corporate Sustainability" for its strategy to combat food waste;

- The Group was awarded in the **Euronext Lisbon Awards**, in the "**Listed company - Best Performance - Compartment A**" category.

BIEDRONKA

- Biedronka reached the 3rd position in the ranking of the **100 Biggest Companies in Poland**, publicised by "**Forbes**" magazine;
- It was once again awarded the **Stars in Service Quality** award in the "Supermarkets" category, attributed within the scope of the Polish Service and Quality Programme;
- It won the **Success of the Year** award, from the magazine "Personalities and Successes";
- It remained in 1st position in the **List of the Largest Polish Companies in the Retail Sector**, by the publications "Gazeta Finansowa" and "Grocery Market";
- It was voted **Retailer of the Year**, in the "Discounts" category, by producers that participate in a survey by AC Nielsen Polska;
- The "Dada" Private Brand of baby nappies won three awards: **Super Product of the Year 2014**, **Hit Mammy it's me - Best for child** and **M like Mum monthly**;
- The organisation **Responsible Business** awarded two of Jerónimo Martins Polska's initiatives in the area of Social Responsibility: "Young designers for Biedronka" and "Biedronka and well-known designers for DKMS Foundation";
- The Private Brands "Linda" liquid soap and "Bebeauty" bath salts, were honoured with the **Good Brand** award;
- Biedronka was given the **Biały Listek CSR** award by the magazine "Polityka", for following the recommendations of ISO 26000;
- For the sixth time, it won the **Superbrand** award in the "Retail" category;
- It reached the 2nd position in the ranking of the **500 Biggest Polish Companies**, compiled by the publication "Rzeczpospolita";
- It once again achieved 1st place in the **Top Brand** ranking, in the "Retailers" category, publicised by "Press magazine" and by "Press Service Media Monitoring";
- The Bydgoszcz store was awarded the **Architecture with Energy** award, in the "Public Building" category. This award aims to select the buildings with the greatest energy efficiency in the Kujawsko-Pomorskie region;

- Biedronka received the **Business Partner Supporting** award, from Last Mile Solutions;
- It was awarded the **Best Image** trophy, attributed by The Flag of Regions' Business;
- It was recognized by the newspaper "Polska The Times", in its CSR report, for the launch of the Biedronka Children's Literature Prize Contest (Piórko 2015);
- It reached 4th position in the ranking of the **500 biggest companies in Central and Eastern Europe**, set up by Coface;
- Jeronimo Martins Polska collected a **Golden Laurel of Super Biznes** for the work carried out in the Agro-Food sector;
- The Wojnicz Distribution Centre was classified in 1st place in the **Speed Docking** contest, organised by ECR Poland, with the objective of measuring and comparing truck offloading times in mass market companies' Distribution Centres;
- Jeronimo Martins Polska received the **Business Superbrands** Award;
- Biedronka was acknowledged as the second **Most Valuable Brand in Poland**, in the ranking compiled by the newspaper "Rzeczpospolita" and by the consultant Acropolis;

- Jeronimo Martins Polska was acknowledged in the **Polish Business Patriotism Index** ranking as one of the most patriotic companies in Poland, in various categories.

PINGO DOCE

- Pingo Doce Private Brand wines won one **Gold Medal**, nine **Silver Medals**, six **Bronze Medals** and nine **Medals of Recommendation** in the International Wine Challenge, Concours Mondial de Bruxelles, Decanter World Wine and Vinhos de Portugal contests;
- The magazine "Sabe Bem" (Tastes Good) was awarded the silver in the **Pearl Awards**, in the "Best Retail" category.

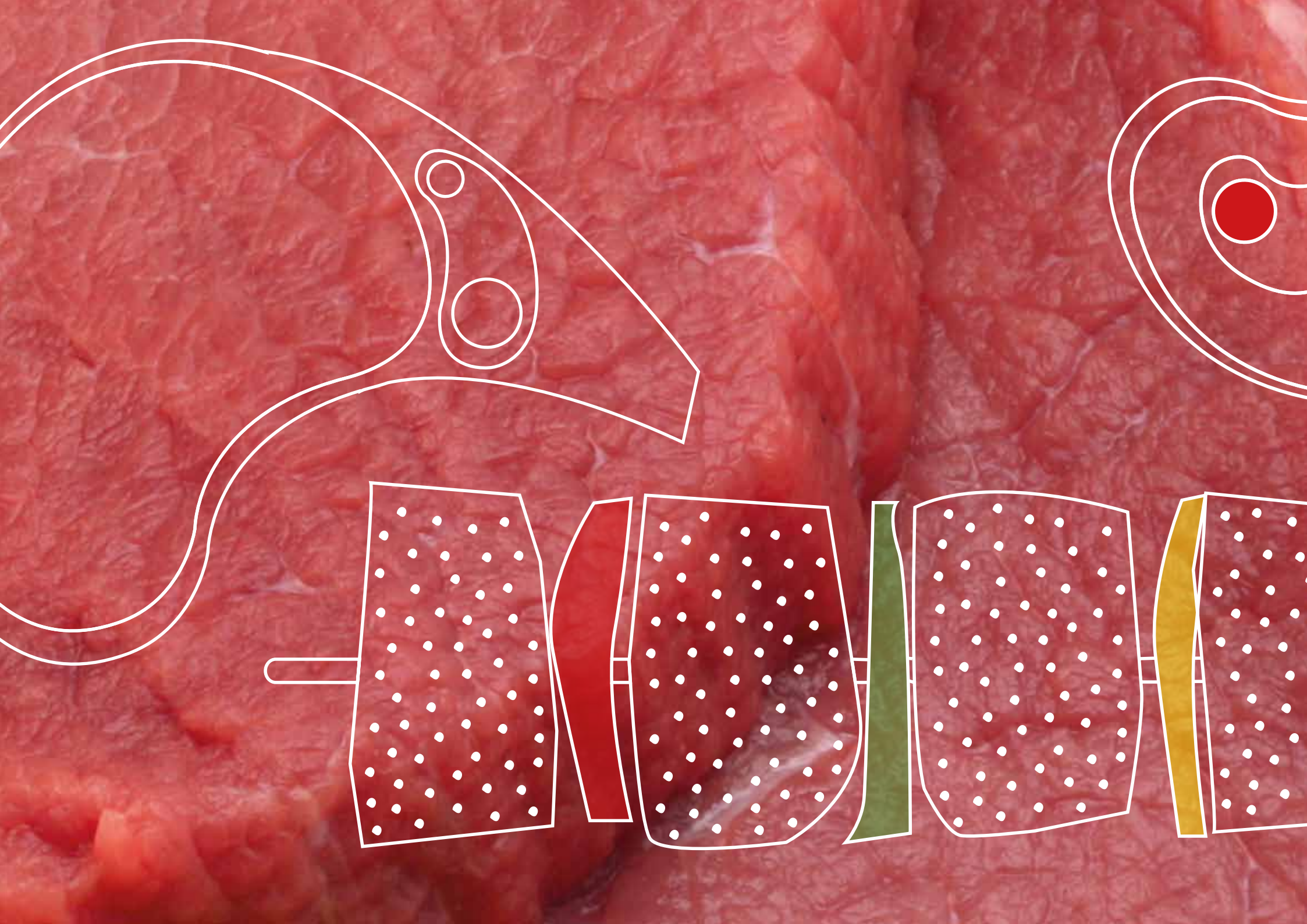
RECHEIO

- Recheio was certified with the **Choice of the Professionals** seal, attributed by "Consumer Choice – Centro de Avaliação da Satisfação do Consumidor", in the "Wholesale Distribution" category.

JERÓNIMO MARTINS DISTRIBUIÇÃO DE PRODUTOS DE CONSUMO

- **Best Global Brands** (Interbrand): Kellogg's in 34th position;
- **Marcas que marcam - Marcas com maior notoriedade espontânea (Brands that leave a mark - Brands with the greatest spontaneous notoriety)** (QSP - Consultoria de Marketing and the newspaper "Diário Económico"); Kellogg's;
- **Master of Distribution**, in the "Confectionery" category: Reese's 2 Butter Cups;
- **Consumer's Choice 2015**: Francesinha Sauce and QB Original from Guloso;
- **Master of Distribution**, in the "Sauces and Seasonings" category: Guloso Pizza Sauce.







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1. KEY FACTS OF THE YEAR



BIEDRONKA

- Celebration of Biedronka's 20th anniversary
- Opening of 102 stores
- Launch of "Twoja Biedronka", a new mobile application that provides greater interaction with the consumer regarding the Company's offers
- Creation of www.testujemy.biedronka.pl, a website enabling consumers to suggest and vote on new products



PINGO DOCE

- Celebration of Pingo Doce's 35th anniversary
- Opening of 21 stores, eight of which are managed by third parties
- Opening of two Pingo Doce & Go convenience stores

RECHEIO

- Inclusion of 105 stores in the Amanhecer concept, ending the year with a total of 249 units



ARA

- Opening of 56 Ara stores, closing the year with 142 stores
- Start of operations in the Caribbean Coast region, with the opening of a Distribution Centre and 41 stores in that region



HEBE

- Opening of 15 stores
- First tests of the new store concept, including a revised offer and with more focus on the consumer



JMDPC, HUSSEL & JMRS

- Opening of two Jeronymo coffee shops
- Development of the "Giro by Husssel" concept, with the opening of three gummies kiosks
- Implementation of Husssel's new image in the Cascais Shopping store
- JMDPC starts representing the Barilla, Patak's and Amoy brands



JMA (JERÓNIMO MARTINS AGRO-ALIMENTAR)

- Conveyance of the Cooperativa Serraleite factory in June
- Start of the operation of the Angus Beef Cattle Fattening Unit in October

2. 2015 ENVIRONMENT

Prices in Poland reached historically low levels whilst, in Portugal, 2015 was marked by the gradual recovery of the economy. The Colombian economy continued to grow above the average for the Latin America countries.

2.1. POLAND

MACROECONOMIC ENVIRONMENT

In 2015, the Gross Domestic Product (GDP) grew 3.6%, according to the Polish Statistical Office (GUS). Domestic demand continued to be the GDP's main growth driver, supported by the increases in employment and household income. Further business investments and investments in family housing were other factors that also contributed towards the country's economic growth. According to that same institute, the average wage increased by 3.5% in 2015.

In 2015, the number of unemployed decreased, following the same trend seen the previous year, and the unemployment rate registered a reduction of 1.8 p.p. compared to 2014, now standing at 10.5%.

In the forex market, the average exchange rate of the zloty against the euro was 4.1819 in 2015, almost in line with the 4.1850 recorded in 2014. When comparing the foreign exchange rate position at the end of the year (4.2639) with the one at the end of 2014 (4.2732), we can see a slight appreciation of the zloty against the euro of 0.2%.

Inflation in Poland reached historically low levels in 2015: -0.9% compared to an evolution of zero in 2014. The variation in the price of food products was negative at -1.7%, compared to -0.9% in 2014. As a consequence of this level of prices in the economy, well below that desired by the Polish Monetary Council, it was decided in March 2015 to reduce the reference rate of 2.0% to 1.5%, the lowest level ever.

MODERN FOOD RETAIL

According to PMR Research, the Modern Food Retail market in Poland should have grown by 2.1% in 2015, exceeding 242 billion zlotys. This evolution was significantly influenced by the gradual recovery of the economy and the stimulation of consumption by food price deflation.

Consumers remained price-sensitive and very rational in their purchasing behaviour. With price continuing to be the key criterion, consumers sought intelligent purchases and as such, chose stores with the best cost-benefit ratio. The importance of the convenience factor continued to increase, with consumers preferring stores close to their place of residence or work.



In 2015, mid-range products gained importance, following the improvement in the Polish economy. The operators' strategy included extending the offer of these products as well as of the high-range products, making them available at affordable prices.

Sales of Private Brand products in Polish Food Retail grew by 6.6% compared to the previous year, continuing to show signs of growth potential, albeit at a slower pace. Current market penetration was driven by the increase in confidence in these products, which in turn, is a reflection of a constant improvement in its quality.

The year 2015 was marked by the increase in popularity of the smaller size store formats, as a consequence of the increasing competition and reflecting new consumer habits. The number of operators that use a single store format has decreased and we can see an increase in the variety of formats operated by the retail chains. Also noteworthy was the heightened expansion of the convenience format and the increase in cooperation between retailers and petrol stations.

The Food Retail market continued to show signs of consolidation, with increased closures of independent stores or their integration into franchise networks. In 2015, the integration of the Real hypermarkets into the Auchan chain was completed.

In 2015, there was a further increase in the offer of organic products. This growth was mainly driven by the demands of consumers who are increasingly favouring food quality and food origin. Although this trend is essentially present in the big cities, it is also becoming increasingly visible outside urban areas.

HEALTH AND BEAUTY RETAIL

According to the projections by PMR Research, in 2015 the Polish Health and Beauty market should have grown 4.4% compared to 2014, to 21.5 billion zlotys and the non-prescription pharmaceuticals market increased by 4.9%.

The year 2015 was marked by a broader offer of Health and Beauty products in the discount stores and the resulting

pressure on the main Beauty categories of the major players (hypermarkets and specialised stores). This trend was felt mainly in the second half of the year, making the market even more competitive. The main operators maintained their growth in the drugstore channel, whilst the small and medium-sized operators felt a strong squeeze on their profit margins, which in the last quarter of 2015 resulted in the insolvency of 180 stores of the Dayli chain.

Benefiting from the changes in consumers' pace of life, as well as the increasing number of Internet users, the online distribution channel remained dynamic, promoting the concept of convenience combined with time savings and easy access to low prices.

According to PMR Research, the trend covered the purchase of low-priced products, but with a commitment to quality. On the other hand, the consumer remained attentive to novelties in the cosmetics market and, despite the lack of an environment of high economic confidence, the offer of premium products at more accessible prices became more relevant.



2.2. PORTUGAL

MACROECONOMIC ENVIRONMENT

The year 2015 was marked by the continuing gradual recovery of the economic activity, at a relatively moderate pace, reflecting the need for the various public and private economic agents to make additional adjustments to their balance sheets, following the preceding international financial crisis.

The economic bulletin published in December 2015 by Banco de Portugal (the Portuguese Central Bank), predicted an economic expansion of 1.6% compared to a growth of 0.9% in 2014. The acceleration in economic activity in the first half of 2015 was noted for being more dynamic, both with regard to domestic demand and exports. As far as the labour market is concerned, there was a decrease in the unemployment rate during the same period. The second half of the year was essentially characterised by the stabilisation in economic activity together with a somewhat stagnant employment environment. On the other hand, the consumer confidence indicator remained at historically high levels (albeit negative) and relatively stable since the beginning of the year.

The moderate recovery of domestic demand (+2.4%) was supported by an increase in private consumption (+2.7%), arising from a favourable evolution of the average disposable household income in real terms and by investments (+4.8%). This evolution reflects the improvement in the level of business investments (+4.6%) and in everyday consumption of goods and services to levels close to those seen before the international financial crisis. On the other hand, despite some recovery in 2015, public investment continued to be constrained by the need for budgetary consolidation.

Exports may have accelerated, with the prospect of a 5.3% growth (+3.9% in 2014). This evolution reflects, on the one hand, additional gains in market share arising from the positive impact of the devaluation of the euro on the growth of the economic activity, and on the other hand, temporary factors linked to the export of fuel. In contrast, the growth in imports (+7.3%) partly reflects the increase in domestic demand for goods with a high imported content, such as cars, machinery and equipment and energy.

With regard to inflation, following the decrease of 0.3% in 2014, this indicator stood at 0.5%, mainly reflecting the increase in the price of non-processed food and services, as the price of energy fell, although less than that suggested by the drop in the price of oil. It should be noted that the low level of inflation had a positive effect on real disposable household income and consequently on private consumption.

In 2015, the deficit is estimated at 3.2% of GDP (+4.5% in 2014). Nevertheless, despite this reduction Portugal still seems to be facing high risks of budgetary sustainability, in the mid-term.

MODERN FOOD RETAIL

With regard to macroeconomics, 2015 was noted for the consolidation of the growth that began in 2014.

From a consumer point of view, the most recent available data indicate a growth in both durable and non-durable private consumption in 2015, in line with 2014.

According to Banco de Portugal (the Portuguese Central Bank), this positive evolution must have benefited from a favourable evolution in actual disposable household income and from continuous recovery in consumer confidence.

Despite this more favourable environment, 2015 remained tough, with consumers consolidating the behaviour they adopted in the recent past, remaining focused on shopping more rationally and taking strong advantage of the food retailers' promotions. Aspects such as proximity and price continued to be critical in the choice of shopping location.

The year continued to be noted for strong promotional dynamics, in line with 2014, but more recent indicators suggest a slight recovery in Food Retail turnover in 2015, contrary to the previous year.

The Distribution business was marked by the dynamic activity of the new Food Retail formats, mainly arising from partnerships between the major chains and small traditional grocers, whilst there was also a faster pace of openings in Modern Retail than in 2014.

WHOLESALE MARKET

In 2015, the turnover of the Cash & Carry operators registered a slight growth, resulting from the recovery of the Traditional Retail and HoReCa channel segments. The network of Cash & Carry stores remained stable.

In Traditional Retail, of note were the opening of more than 100 new Amanhecer stores and 70 new 'Meu Super' stores, reinforcing the positioning of the proximity retail chains with a high geographical expression.

2.3 COLOMBIA

MACROECONOMIC ENVIRONMENT

The prospects for economic growth in Colombia were successively revised downwards throughout 2015, conditioned by the end of the rising cycle of the price of commodities, particularly the price of oil and of some food. This drop in price strongly conditioned the

Colombian trade balance, as a result of the importance of this type of goods in the country's foreign trade. Consequently, and in order to control the country's deficit, it was necessary to make a sharp reduction in the State expenditure.

According to the country's National Administrative Statistics Department, the Colombian economy grew 3.0% in the first nine months of the year, which represented a year-on-year decline of 1.9 p.p. However, the Colombian economy continued to grow above the average for the Latin American countries, outperforming countries such as Brazil, Chile and Mexico.

With regard to the main GDP components, there was a significant slowdown in investments (+2.8% in the first nine months of 2015 compared to 12.8% in the same period in 2014). Equally of note is the Government's decline in consumption, which grew less than the average for the economy (+2.2% in the first nine months of the year compared to +7.1% in the same period in 2014).



As far as foreign trade is concerned, imports posted a growth of 2.9% and exports showed a decrease of 0.3% in the first nine months of the year.

Private consumption was the economic growth driver, with an increase of 3.7% in the first nine months of the year.

Average inflation in 2015 was 5.0% compared to 2.9% in 2014, remaining well above the objective of the Colombian Central Bank (3.0% \pm 1.0 p.p.). The main inflationary pressures were registered in food, goods and services categories, resulting from the El Niño weather phenomenon and the strong devaluation of the Colombian peso.

On the other hand, the accelerated inflation led the Central Bank to increase its reference interest rate by 125 base points during 2015 (from 4.50% to 5.75%).

Consequently, the consumer confidence index clearly fell in the first half of the year, and deteriorated further in July and August, with a slight recovery after September but in the balance for the year, it remained considerably below the previous year.

During 2015, there was a reduction in the unemployment rate, but nevertheless, not as much as initially forecast. The average unemployment rate was 8.9% in 2015, lower 0.2 p.p. than in 2014.

The Colombian peso suffered a strong decline during 2015. In average terms it devalued 14.5% against the euro.

The Colombian stock market had a negative performance in 2015, recording a fall of 22.5% compared to 2014.

MODERN FOOD RETAIL

Food retail in Colombia represents a market estimated at 61 billion dollars, with organised retail representing a market share of approximately 20%.

According to data from Nielsen, Food Retail sales increased by 2.9% in 2015. Traditional Retail grew 1.4%, well below the strong evolution of Modern Retail with a 5.1% growth. In the Supermarkets segment, the region with the highest growth was the Atlantic with an increase of 13%, followed by the Coffee Growing Region, with a 6% growth.

During 2015, there were fewer store openings in Modern Retail, with a total of 197 new stores opened in 2015 compared to 318 openings in 2014. The Discount format had the highest number of openings in organised retail, with 179 new stores, which represents 91% of the total number of stores opened, followed by the supermarkets with 18 new stores. Also of note was the fact that no hypermarkets were opened in 2015.

The rapid expansion of the Hard Discount format in new regions of Colombia brought additional dynamics to the Retail Market and increased consumers' choices.

Sources:

IMF World Economic Outlook; Eurostat; Bank of Portugal Economic Bulletins; Portuguese Ministry of Finance; Portuguese National Statistics Institute (INE); National Bank of Poland Economic Bulletins; Central Statistical Office (GUS); Banco de la República (Colombian Central Bank); Colombia National Administrative Department of Statistics (DANE); Business Monitor International (BMI); BBVA; Planet Retail; Deloitte; TNS; Nielsen and PMR Research.

3. GROUP PERFORMANCE

3.1. MAIN PROJECTS OF 2015

The Group's Companies in Portugal and in Poland began 2015 anticipating the continued reduction in food inflation (or even deflation) on the one hand, and on the other hand, strong promotional dynamics in the Food Retail sector.

In general, all the defined strategies and objectives of the Management Teams were implemented and achieved, and duly monitored by the Board of Directors, which oversaw the business activities without any constraints.

Being aware of the market challenges, the Group defined three fundamental strategic objectives for the year, which it successfully achieved and which are structural for strengthening its competitiveness in the mid and long-term:

- i. Execution of the programme to improve Biedronka's offer, whilst maintaining the efficiency of the business model at all levels;
- ii. Strengthening of the strategic pillars of differentiation in both the Pingo Doce and Recheio models in Portugal;
- iii. Entry into a new region in Colombia with the opening of a second Distribution Centre at the Caribbean Coast.

3.1.1. EXECUTION OF THE PROGRAMME TO IMPROVE BIEDRONKA'S OFFER

In 2014, Biedronka outlined and began implementing a programme for improving its value proposition, with the objective of increasing its share-of-wallet.

In view of the development of the food basket in Poland, with very positive trends in the categories with better added value, Biedronka enlarged its assortment in the existing categories and developed its offer in areas that are drivers of future growth.

Between the fourth quarter of 2014 and the end of the second quarter of 2015, the Company focused on enlarging the offer, which had to be executed with great control regarding the supply chain and logistics, so that the change would not cause disruption in supply to the stores or in the efficiency of the logistics processes.

Throughout the second half of the year, Biedronka concentrated on adapting the stores in order to be able to operate the assortment, combining efficiency, consistency and the necessary visibility, so that customers could recognise the quality and variety of the offer.

The entire programme was executed without affecting the efficiency of the business model and while enabling flexibility to be incorporated into the assortment that is managed in the stores in urban locations. These locations can now have a set of products which, in addition to the Company's basic assortment, make it better adapted to urban consumption trends.

3.1.2. STRENGTHENING OF THE STRATEGIC PILLARS OF DIFFERENTIATION IN BOTH THE MODELS IN PORTUGAL

Pingo Doce and Recheio began 2015 with good sales dynamics, largely as a result of a strong promotional strategy, which was maintained throughout the year and complemented by measures for strengthening the strategic pillars of the two banners.

Pingo Doce accelerated its store remodelling plan, which covered 29 stores in 2015, with a very clear improvement in the shopping experience, which is one of its traditionally recognised strengths.

Also with regard to the offer of Private Brand, another differentiation pillar, Pingo Doce reinforced its innovation with 214 new products launches and reformulations throughout the year.



Recheio began the investment in improving the layout of two stores, enabling them to enhance their operation of Perishables, a strategic category for its positioning.

3.1.3. ENTRY INTO A NEW REGION IN COLOMBIA

In Colombia, Ara's major objective for 2015 was to enter the Caribbean Coast region, with the opening of a new Distribution Centre.

The construction of the new Distribution Centre took place whilst the Company prepared the pipeline of stores to be inaugurated. The Distribution Centre opened in September and, at the end of the year, there was a total of 41 stores in this region, in addition to the 101 already existing in the Coffee Growing Region.

As there are substantial differences in food habits and tastes between the various regions of Colombia, operating in a new region is fundamental for Ara to validate the flexibility of its value proposition, and to assess the impact of the increasing scale of operations in the country.

The opening of the operation and the expansion of the store network were successful in this new Colombian region and the value proposition was well accepted, reinforcing the belief that the opportunity in this new market has a great potential.

3.2. EXECUTION OF THE INVESTMENT PROGRAMME

The investment programme is a fundamental pillar of the Group's growth strategy and also plays an important role regarding the quality of the operations and the innovation of the value propositions.

In 2015, the Group invested 412.3 million euros, 223.6 million euros (54%) of which were for expansion.

(million euros)

Business Area	2015			2014		
	Expansion	Others	Total	Expansion	Others	Total
Biedronka	90	114	204	235	126	361
Stores	84	110	193	182	119	302
Logistics & Head Office	6	5	11	53	6	59
Pingo Doce	75	59	133	13	42	55
Stores	54	57	111	13	41	54
Logistics & Head Office	21	2	23	0	1	2
Recheio	5	14	18	2	7	9
Ara	49	0	49	28	0	28
Stores	31	0	31	22	0	23
Logistics & Head Office	17	0	17	5	0	5
Total Food Distribution	218	187	404	278	175	453
Hebe	3	1	4	13	3	15
Services & Others	3	1	4	0	1	2
Total JM	224	189	412	291	179	470
% of EBITDA	28.0%	23.6%	51.6%	39.6%	24.5%	64.1%

Biedronka inaugurated 102 stores, 48 in cities with more than 100 thousand inhabitants, therefore pursuing the expansion plan as defined, and continuing to strengthen its position in the market.

Pingo Doce intensified its store opening efforts, inaugurating 21 stores in locations that are important for reinforcing its national presence. Of these new stores, eight were opened under third-party management, bringing the total number of locations operating under this regime to 15.

Ara, in Colombia, inaugurated 56 stores and a new Distribution Centre, moving ahead with its programme to enter the second region.

Hebe inaugurated 15 stores, ending the year with 134 locations in the Polish market.

	New Stores		Revampings ¹		Closed Stores	
	2015	2014	2015	2014	2015	2014
Biedronka	102	211	155	127	22	17
Pingo Doce	21	5	29	26	2	1
Recheio	0	0	2	1	0	0
Ara	56	50	0	0	0	0
Hebe	15	18	10	23	0	3
Other Businesses ²	13	8	1	2	11	9

¹ Only includes the revampings that implied the closing of the food selling area, with exception for Recheio.

² Including the stores NewCode, Spot, Bem Estar, Refeições no Sítio do Costume, Fuel Stations, Jeronymo, Kropka Relaks, Olá, Hussel and Jeronymo Food with Friends.

In 2015, investments in remodelling received special attention following the programme for strengthening Biedronka's assortment and as a result of accelerating Pingo Doce's remodelling programme. This kind of investment represented 34% of the Group's total capex programme for the year.

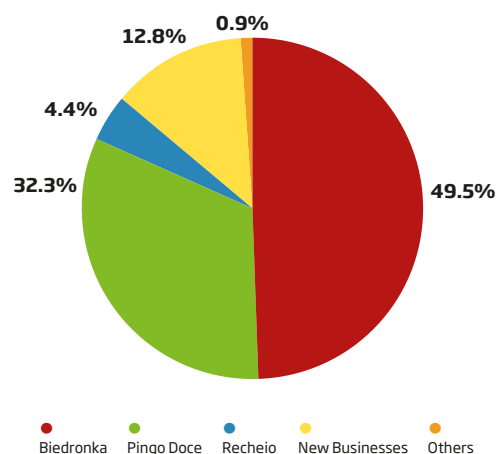
Apart from its annual store remodelling programme, which covered 155 locations during the year, in 2015, Biedronka also made investments with a view to optimising the operation of the new assortment in the stores and with specific work on the store layout.

Pingo Doce having defined as a priority the reinforcement of its differentiation pillars, namely the shopping experience accelerated its remodelling programme that began in 2014, and refurbished 29 stores in 2015.

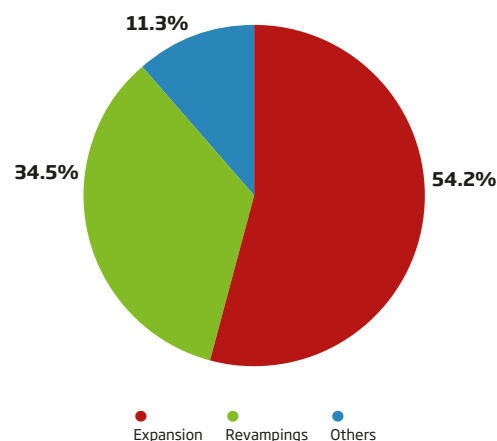
Paying attention to the specific nature of each location and according to the type of customer it serves, Recheio remodelled two of its stores, having focused the investment on reinforcing the areas of the stores that are most important for the local markets.



INVESTMENT BY BUSINESS AREA



INVESTMENT BREAKDOWN



3.3. CONSOLIDATED ACTIVITY IN 2015

3.3.1. CONSOLIDATED SALES

The Group's sales reached 13,728 million euros, +8.3% vs. previous year, with the like-for-like reaching a solid 3.4% growth for the year.

	2015		2014		Δ %		LFL
	% total		% total		Zloty	Euro	
Sales & Services							
Biedronka	9,206	67.1%	8,432	66.5%	9.1%	9.2%	3.2%
Pingo Doce	3,407	24.8%	3,234	25.5%		5.4%	3.9%
Recheio	832	6.1%	799	6.3%		4.1%	3.5%
Mkt, Repr. and Rest. Services	81	0.6%	79	0.6%		2.6%	n.a.
Others & Cons. Adjustments	202	1.5%	137	1.1%		n.a.	n.a.
Total JM	13,728	100%	12,680	100%		8.3%	3.4%

The focus on sales led the banners to post good performances, reaching solid like-for-like growth and increasing their market shares.

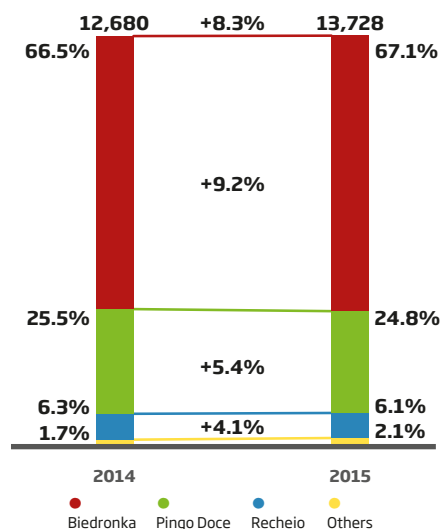
In Poland, the competitive environment remained dominated by promotions and consumers remained value-oriented, despite the positive trends registered in food consumption.

Food inflation was negative (-1.7%), having moved towards positive ground throughout the year, with the last three months recording some positive values (+0.4%, +0.1% and -0.1% in October, November and December 2015, respectively).

In 2015, Biedronka gave priority to improving its offer, with the objective of reinforcing its relevance to consumers and increasing penetration (share-of-wallet).

CONSOLIDATED SALES

(million euros)



The results of this focus were visible in the like-for-like performance, which quarter after quarter was supported by growth in volume more than offsetting the deflation in the basket. Growth in the value of like-for-like sales in the year was 3.2%, with a positive contribution from both the number of visits and the value of the average basket.

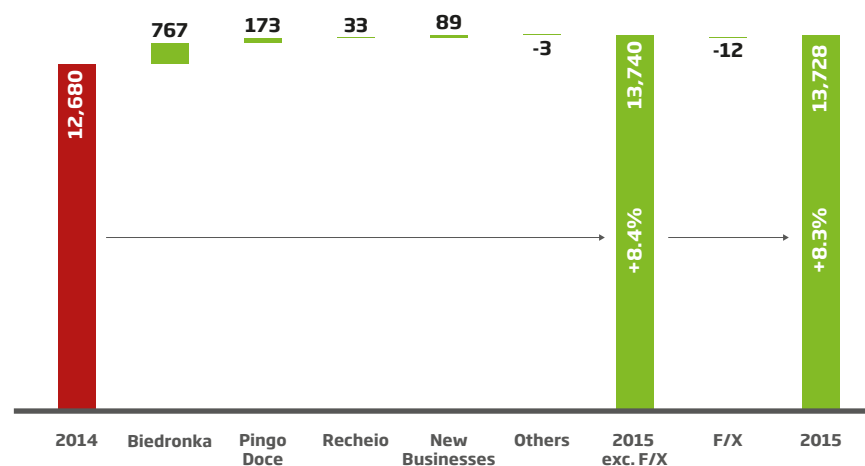
As predicted, the Company executed its expansion programme, inaugurating 102 stores (80 net additions) and ended the year with a total of 2,667 locations.

Biedronka's sales increased by 9.2% in the year (+9.1% in local currency) to 9,205.7 million euros.

In Portugal, the Food Retail environment remained extremely competitive throughout the year and was marked by ongoing promotions.

CONTRIBUTION TO CONSOLIDATED SALES GROWTH

(million euros)



Food inflation in the country was positive, reaching 1.0%.

Pingo Doce maintained an intense promotional strategy whilst at the same time investing in improving the shopping experience for customers, through the store remodelling programme and through improvements in service levels. Taking advantage of the boost created last year, the like-for-like sales growth accelerated in 2015, reaching 4.6% (excluding fuel).

Combining the like-for-like growth with 21 store openings in the year, total sales increased by 5.4%, reaching 3,407.3 million euros.

Recheio's sales benefited from improved trends in the HoReCa channel and the Company's strong commercial position. Total sales increased by 4.1%, reaching 832.2 million euros with a like-for-like of 3.5%.

As planned, Ara opened its second Distribution Centre in a new region of Colombia (Caribbean Coast), where it ended the year with 41 stores. In 2015, Ara ended the year with a total of 142 stores and sales of 122.5 million euros.

At the end of 2015, Hebe had 134 stores and had surpassed 100 million euros of sales.



3.3.2. CONSOLIDATED OPERATING RESULTS

(million euros)					
	2015		2014		Δ %
		%		%	
Net Sales & Services	13,728		12,680		8.3%
Gross Margin	2,937	21.4%	2,692	21.2%	9.1%
Operating Costs	-2,138	-15.6%	-1,958	-15.4%	9.2%
EBITDA	800	5.8%	733	5.8%	9.1%
Depreciation	-294	-2.1%	-277	-2.2%	6.4%
EBIT¹	505	3.7%	457	3.6%	10.7%

¹ The EBIT above presented does not include operational items with non recurrent nature that in the Income Statement by Functions are classified as Exceptional Operating Losses and are included in the Operating Profit therein presented.

The year 2015 was important for all our banners:

i. Biedronka was totally focused on executing an ambitious programme to improve its offer, whilst maintaining efficiency at all levels; ii. in Portugal, maintaining their promotional strategy, Pingo Doce and Recheio reinforced their overall value proposition, substantially outperforming their respective markets and iii. in Colombia, Ara planned and successfully carried out its entry into a new region, providing the business model with the necessary flexibility to better adapt to the specific nature of the markets.

The good sales performance and the cost discipline in Portugal and in Poland led to a strong performance with regard to the Group's operating results, with EBITDA increasing by 9.1% to 799.6 million euros.

The EBITDA margin was 5.8%, in line with the previous year, despite: i. the deflation that persisted at Biedronka and the efforts by the Company to implement its plan for improving the value proposition and ii. the promotional investment carried out by Pingo Doce and Recheio, simultaneously with the investment in improving their store experience.

	2015		2014		(million euros) Δ %
	% total		% total		
Biedronka	641	80.2%	573	78.2%	11.9%
Pingo Doce	188	23.5%	187	25.6%	0.3%
Recheio	44	5.5%	42	5.7%	5.7%
Others & Cons. Adjustments	-73	-9.2%	-69	-9.4%	6.5%
Consolidated EBITDA	800	100%	733	100%	9.1%

Biedronka posted an EBITDA of 641.1 million euros, a growth of 11.9% against the previous year. This performance reflected: i. the strong increase in sales, ii. the cost discipline and execution of the plan, and iii. the positive impact on the margin mix, related to an improvement in the assortment.

Biedronka's EBITDA margin was 7.0% (vs. +6.8% in 2014).

At Pingo Doce, the EBITDA generated was 187.9 million euros, in line with the previous year. The EBITDA margin was 5.5% of sales, the reduction compared to the 5.8% recorded in 2014 being due to the focus on sales, which led to the competitive position being strengthened without deterioration in cash EBITDA.

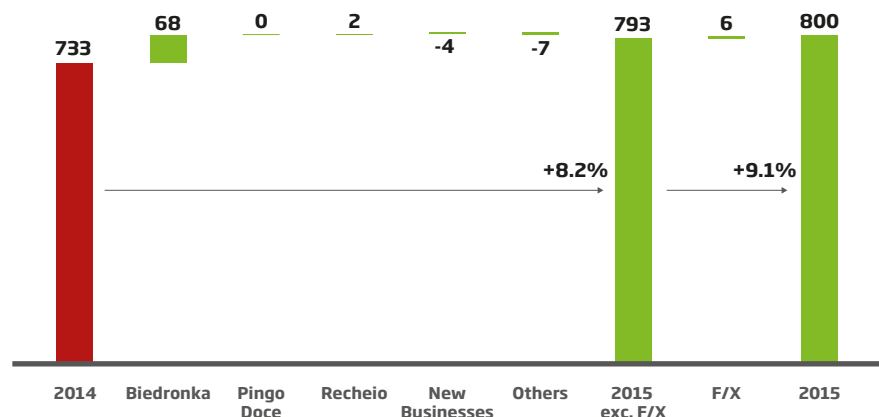
At Recheio, EBITDA reached 43.9 million euros, a growth of 5.7% compared to the previous year, and the EBITDA margin was 5.3% (+10 bps vs. 2014), as a result of the good sales performance.

Ara and Hebe recorded a combined EBITDA loss of 55.5 million euros, 2.2 million euros less than the previous year and slightly better than expected, essentially as a consequence of the depreciation of the Colombian peso.

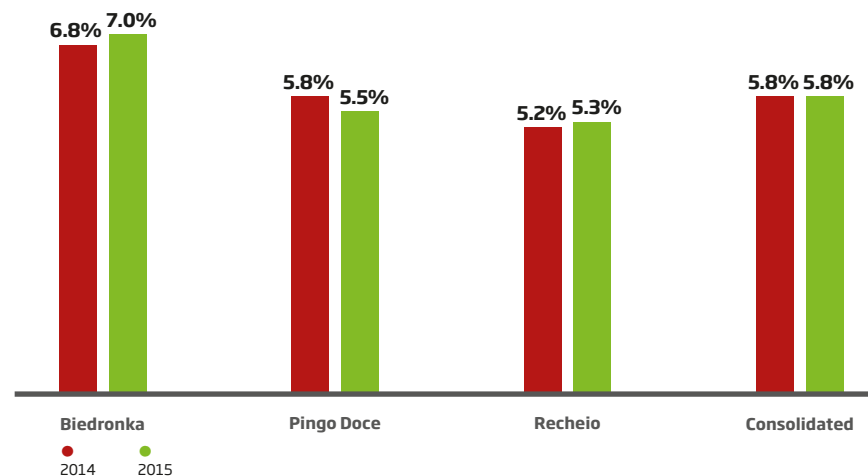


CONTRIBUTION TO CONSOLIDATED EBITDA GROWTH

(million euros)



EBITDA MARGIN



3.3.3. NET CONSOLIDATED RESULT

	2015		2014		(million euros)
		%		%	Δ %
EBIT¹	505	3.7%	457	3.6%	10.7%
Net Financial Results	-26	-0.2%	-34	-0.3%	-22.8%
Profit in Associated Companies	17	0.1%	15	0.1%	9.4%
Non Recurrent Items ²	-20	-0.1%	-9	-0.1%	n.a.
EBT	475	3.5%	429	3.4%	10.7%
Taxes	-117	-0.8%	-104	-0.8%	12.4%
Net Profit	358	2.6%	325	2.6%	10.2%
Non Controlling Interest	-25	-0.2%	-23	-0.2%	6.4%
Net Profit attr. to JM	333	2.4%	302	2.4%	10.5%
EPS (euros)	0.53		0.48		10.5%

¹ The EBIT shown in the "Net Consolidated Result" table does not include non-recurrent operational items which appear itemised in the "Statement by Functions" under Exceptional Operating Profit/Loss and are included in the Operating Result shown therein.

² Non Recurrent Items presented in the table "Net Consolidated Result" include the Exceptional Operating Results and Gains/Losses on Other Investments as reported in the "Statement by Functions".

The good sales performance, common to all the business areas, was fundamental for the positive evolution of the EBITDA generated in value terms.

The net results attributable to Jerónimo Martins were 333.3 million euros, an increase of 10.5% compared to 2014.

This result was the direct consequence of a good operating performance and strict management of the Group's balance sheet.

The financial results were 26.5 million euros, 7.8 million euros less than in 2014, as a result of lower average debt throughout the year as well as a lower cost of debt.

Profit in associated companies, which reflects the consolidation of the result generated by the partnership that the Group has with Unilever in Portugal, was 16.6 million euros (vs. 15.2 million euros in 2014).

3.3.4. CASH FLOW

	(million euros)	
	2015	2014
EBITDA	800	733
Interest Payment	-29	-32
Other Financial Items	14	20
Income Tax	-108	-109
Funds From Operations	677	612
Capex Payment	-394	-486
Δ Working Capital	212	146
Others	-12	-5
Free Cash Flow	482	267

Cash flow generated in the year reached 482.2 million euros, 215.0 million euros more than in the previous year.

The good cash flow performance was the result of:

- i. the solid sales performance; ii. very strict execution of the improvements to Biedronka's assortment;
- iii. capex efficiency in Poland and Colombia; and iv. strong working capital management.

In view of the cash flow generated, and on the proposal of the Group's Board of Directors, the distribution of free reserves in the sum of 235.7 million euros was approved at the Extraordinary General Shareholders' Meeting that was held in December 2015.

3.3.5. CONSOLIDATED BALANCE SHEET

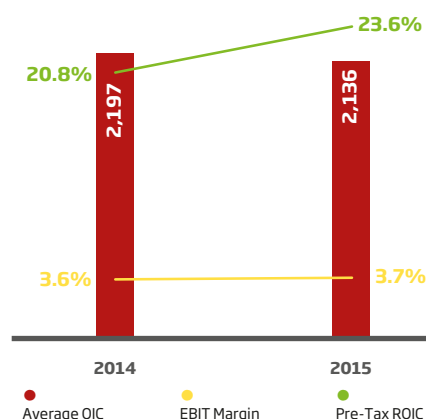
	(million euros)	
	2015	2014
Net Goodwill	640	640
Net Fixed Assets	3,060	2,940
Total Working Capital	-2,001	-1,778
Others	82	111
Invested Capital	1,780	1,912
Total Borrowings	658	714
Leasings	0	1
Accrued Interest & Hedging	0	4
Marketable Sec. & Bank Deposits	-471	-446
Net Debt	187	273
Non Controlling Interests	252	243
Share Capital	629	629
Retained Earnings	712	767
Shareholders Funds	1,593	1,639
Gearing	11.7%	16.7%

The solidity of the balance sheet is reflected in the gearing of 11.7% at the end of the year, even after paying dividends in May (in line with the dividend policy for the year) and the distribution of reserves in December. In total, a sum of 389.6 million euros was paid to the shareholders in 2015.



PRE-TAX ROIC

(million euros)



3.3.6. RETURN ON INVESTED CAPITAL

Return on invested capital, calculated on a Pre-Tax ROIC basis, rose from 20.8% in 2014 to 23.6% in 2015.

This evolution was the result of the increase in return on capital, which benefited from the growth in sales on a like-for-like basis (+3.4% at Group level) and the strict management of working capital and investments.

3.3.7. DEBT BREAKDOWN

Net debt at the end of the year was 187.0 million euros (273.0 million euros in 2014), even after the distribution of reserves which was paid in December 2015 and reflects the Group's good performance in the various business areas.

Regarding medium and long-term financing, there was an increase in maturity from 2 to 2.4 years following the renewal of the bond loan.

	(million euros)	
	2015	2014
Long Term Debt	534	374
as % of Total Borrowings	81.2%	52.4%
Average Maturity (years)	2.4	2.0
Bond Loans	150	0
Commercial Paper	100	0
Other LT Debt	284	374
Short Term Debt	123	340
as % of Total Borrowings	18.8%	47.6%
Total Borrowings	658	714
Average Maturity (years)	1.9	1.5
Leasings	0	1
Accrued Interest & Hedging	0	4
Marketable Securities & Bank Deposits	-471	-446
Net Debt	187	273
% Debt in Euros (Financial Debt + Leasings)	47.4%	31.6%
% Debt in Zlotys (Financial Debt + Leasings)	40.4%	57.3%
% Debt in Pesos (Financial Debt + Leasings)	12.2%	11.1%

3.3.8. JERÓNIMO MARTINS IN THE CAPITAL MARKETS

SHARES DESCRIPTION

Listed Stock Exchange		NYSE Euronext Lisbon
IPO		November 1989
Share Capital (€)		629,293,220
Nominal Value		€ 1,00
Number of Shares Issued		629,293,220
Symbol		JMT
Codes	ISIN	PTJMT0AE0001
	Reuters	JMT.LS
	Bloomberg	JMT PL
	Sedol	B28JPD0
	WKN	878605

Jerónimo Martins' shares are part of 51 indices, the most relevant being the PSI-20 (the reference index of the NYSE Euronext Lisbon), the Euronext 100 and the EuroStoxx Index, and are negotiated on 36 different platforms, mostly in the main European markets.

CAPITAL STRUCTURE

For information on the capital structure of Jerónimo Martins, please see point 9. Notes to the Consolidated Management Report in this chapter.

PSI-20 PERFORMANCE

In 2015, the reference index in the Portuguese market – PSI-20 – closed the year increasing 10.7% in value to 5,313.17 points. It was one of the European indices with the largest increase in value, well above the reference index for Europe, the Stoxx600, which rose 6.9% compared to the previous year.

The PSI-20 saw Banif de-listed, moving from 18 to 17 members, as well as the transformation of PT SGPS into Pharol, whose securities reached successive all-time lows. The index's increase in value benefited essentially

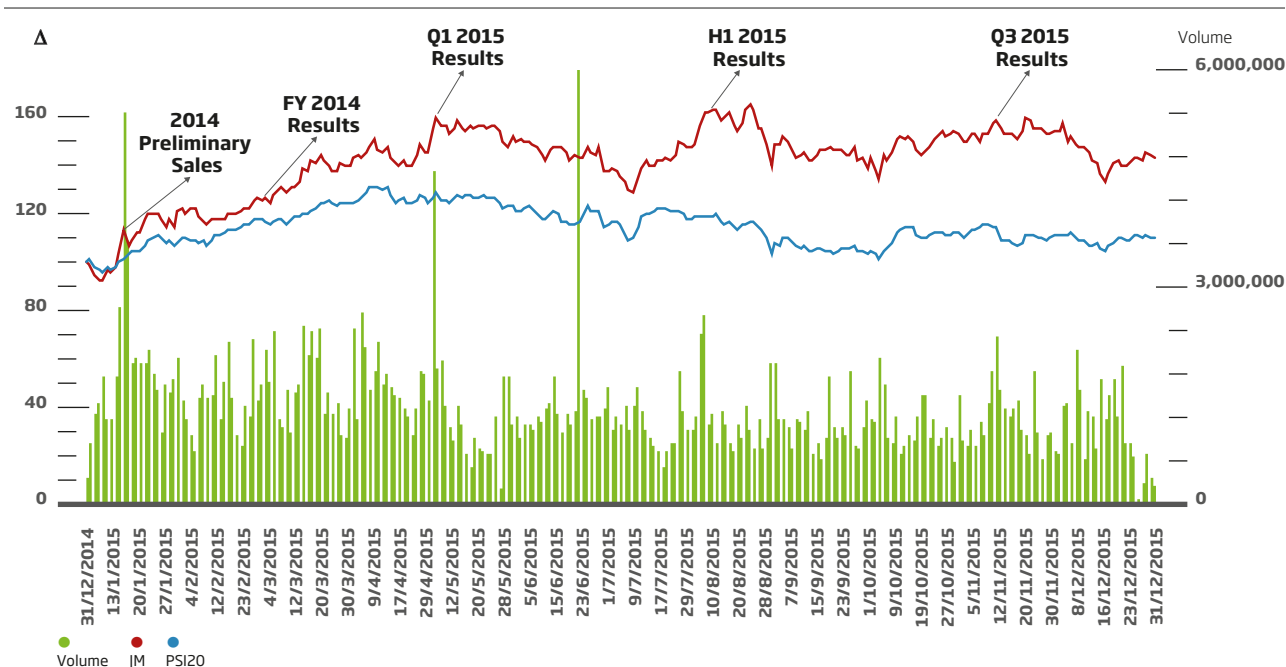
from the gains by Altri, as it almost doubled its stock exchange value (+92.1%), by Jerónimo Martins (+43.9%) and by NOS (+38.4%). As far as losses are concerned, five listed companies recorded significant devaluations: BCP (-25.6%), Mota-Engil (-27.7%), Impresa (-40.2%), Teixeira Duarte (-55.8%) and Pharol (-68.6%).

In a year that was marked by the prospects of an increase in interest rates in the United States and by signs of a slow-down in China and other emerging markets, the domestic reference index reached its lowest value of the year on January 7th, at 4,602.48 points, and its highest on April 10th, at 6,348.46 points.

February was the best month for the PSI-20 in 2015, with a climb of 10.6%, and August the worst, a month when the markets were affected by fears concerning the slowdown of the world economy. In that month, the PSI-20 dropped 8%.

The Portuguese stock market index was above the main European indices, whilst the IBEX35, the WIG20 and the FTSE100 were the only indices to have a negative performance during the year, having devalued 7.2%, 23.3% and 4.9% respectively.





JERÓNIMO MARTINS SHARE PRICE PERFORMANCE

After showing a devaluation of 41.4% in 2014, Jerónimo Martins posted a 43.9% increase in value in 2015.

According to the NYSE Euronext Lisbon, in 2015 Jerónimo Martins was the Portuguese company with the third highest market capitalisation, having closed the year with a relative weight of 13.3% in the PSI-20. The Group closed 2015 with a market capitalisation of 7.5 billion euros versus 5.2 billion euros at the end of 2014. Jerónimo Martins is one of the three Portuguese companies to be part of the Euronext 100 index, with a weight of 0.32% (0.25% in 2014).

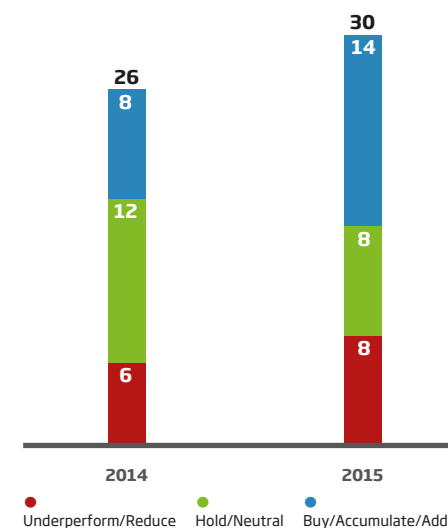
Jerónimo Martins' shares were among the most traded on the NYSE Euronext Lisbon, with around 345 million shares traded, meaning a daily average of 1.3 million shares (26%

higher than that recorded in 2014), at an average price of 11.84 euros. In terms of turnover, these shares represented the equivalent of 14.6% (4 billion euros) of the overall volume of shares traded on the PSI-20 index in 2015 (27.6 billion euros).

Jerónimo Martins' shares showed a positive trend during the most part of the year, having recorded a minimum price of 7.70 euros on January 7th and a maximum price of 13.81 on August 17th. In the first-half, the average volume of shares traded increased by 17% compared to an average monthly volume in the previous 12 months, despite the negative share performance after the first news in the market about the potential new tax on the retail sector in Poland.

Throughout the year, except for the first few days in January, the performance of Jerónimo Martins' shares

NO. OF RECOMMENDATIONS



always remained above the PSI-20, ending 2015 with a price of 12.00 euros, which represents a 43.9% increase in value compared to 2014.

ANALYSTS

In 2015, six investment companies began covering Jerónimo Martins (Berenberg, Dom Maklerski mBanku, Nomura, MainFirst Bank, Bryan, Garnier & Co., PKO BP Securities) and two others stopped covering this security (Berenberg and VTB Capital). At the end of the year, 30 analysts were following Jerónimo Martins. 14 of the 30 analysts issued a positive recommendation on the security, eight issued a neutral recommendation and eight issued a negative recommendation. At the end of 2015, the average target price of the analysts was 13.44 euros, which corresponded to a potential rise compared to the closing price on 31st December of 12.0%.

JERÓNIMO MARTINS FINANCIAL PERFORMANCE 2011-2015

	(million euros)				
Balance Sheet	2015	2014	2013	2012	2011
Net Goodwill	640	640	648	655	627
Net Fixed Assets	3,060	2,940	2,810	2,557	2,227
Total Working Capital	-2,001	-1,778	-1,686	-1,615	-1,495
Others	82	111	112	99	135
Invested Capital	1,780	1,912	1,885	1,695	1,495
Net Debt	187	273	346	321	204
Total Borrowings	658	714	688	660	676
Leasings	0	1	6	18	38
Accrued Interest	0	4	20	15	14
Marketable Securities and Bank Deposits	-471	-446	-368	-372	-524
Non Controlling Interests	187	243	236	251	260
Equity	1,342	1,396	1,304	1,122	1,030

	(million euros)				
Income Statement	2015	2014	2013	2012	2011
Net Sales & Services	13,728	12,680	11,829	10,683	9,646
EBITDA	800	733	777	740	693
EBITDA margin	0	5.8%	6.6%	6.9%	7.2%
Depreciation	-294	-277	-249	-221	-206
EBIT	505	457	528	518	487
EBIT margin	3.7%	3.6%	4.5%	4.9%	5.0%
Financial Results	-26	-34	-39	-30	-30
Profit in Associated Companies	17	15	19	13	17
Non Recurrent Items ¹	-20	-9	-4	-19	-11
EBT	475	429	503	483	463
Taxes	-117	-104	-111	-116	-106
Net Income	358	325	393	366	357
Non Controlling Interests	-25	-23	-10	-6	-17
Net Income attributable to JM	333	302	382	360	340

¹ Non Recurrent Items include the Exceptional Operating Losses and Gains in Others Investments as presented in the Income Statement by Functions and detailed in the notes to Consolidated Accounts.

	(million euros)				
Market Ratios	2015	2014	2013	2012	2011
Share Capital (€)	629,293,220	629,293,220	629,293,220	629,293,220	629,293,220
Total Number of Shares	629,293,220	629,293,220	629,293,220	629,293,220	629,293,220
Own Shares	859,000	859,000	859,000	859,000	859,000
Free Float	31.7%	26.9%	32.0%	27.2%	29.0%
EPS (€)	0.53	0.48	0.61	0.57	0.54
Dividend per share (€)	0.62 *	0.31	0.30	0.51 **	0.21 ***
Stock Market Performance					
High (€)	13.81	14.25	18.47	15.62	14.34
Low (€)	7.70	6.98	13.61	11.87	10.64
Average (€)	11.84	10.94	15.51	13.71	12.33
Closing (End of year) (€)	12.00	8.34	14.22	14.60	12.79
Market Capitalisation (31 Dec) (€ 000,000)	7,548	5,245	8,945	9,188	8,049
Transactions (volume) (1,000 shares)	344,797	274,146	202,709	157,916	254,571
Annual Growth	43.9%	-41.4%	-2.6%	14.2%	12.2%
Annual Growth - PSI-20	10.7%	-26.8%	16.0%	2.9%	-27.6%

* The value refers to the payment of a gross dividend of 0.245 euros per share, on May 07, 2015, regarding the distribution of 2014 results and to the distribution of free reserves corresponding to a gross dividend of 0.375 euros per share, paid on December 22, 2015.

** The value refers to the payment of a gross dividend of 0.275 euros per share, on April 30, 2012, regarding the distribution of 2011 results and to the distribution of free reserves corresponding to a gross dividend of 0.239 euros per share, paid on December 31, 2012.

*** This dividend, regarding the 2010 financial year, was paid by the end of 2010.



4. PERFORMANCE OF THE BUSINESS AREAS

4.1. DISTRIBUTION POLAND

4.1.1. BIEDRONKA

MESSAGE FROM THE MANAGING DIRECTOR

In 2015, Biedronka chose its store offer as the main area for development in order to reinforce its value proposition to consumers and thereby increase the share-of-wallet.

The macroeconomic environment was especially marked by food deflation, which had an impact on the first nine months of the year (-2.2%), becoming marginally positive during the last quarter. Food Retail remained dominated by promotions and by the relevance of the price factor, particularly valued by consumers.

The programme for developing Biedronka's offer, namely in Perishables categories, enabled a like-for-like sales growth of 3.2%, driven both by the number of visits and the value of the average basket. This program was based on presenting innovative solutions to ensure convenience as demanded by today's consumer, as well as by bringing it more in line with the different needs of urban and non-urban consumers, in addition, the increase in operational efficiency, which is one of the pillars of Biedronka's business model, continued to be a special focal point, namely in the store operating processes, the



distribution centres and the central business support processes.

The expansion programme continued, with the inauguration of 102 new stores, ending the year with a total of 2,667 locations and thereby reinforcing its position as leader in Polish Food Retail market.

We believe that the initiatives deployed in developing our offer and in increasing operational efficiency contributed towards the increased robustness of the business model, whilst at the same time enabling us to continue presenting innovative solutions to reinforce consumer confidence.

2015 PERFORMANCE

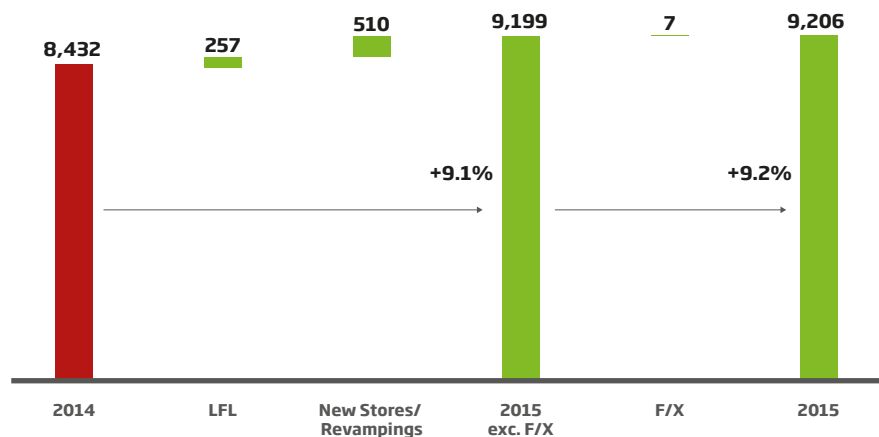
Throughout the year, the Polish economy recorded a strong growth with a good evolution in GDP and in the unemployment rate. However, the year was also marked by strong food deflation, which reached -1.7%.

During the course of the year, Biendronka's priority was to adjust and optimise its assortment, in order to create a competitive advantage compared to other players, and in order to provide a differentiated purchasing experience for its consumers. Constantly remaining focused on innovation, various operational improvements with regard to the layout of the stores were introduced, in order to optimise the organisation of the space, especially in the Fruit and Vegetables, Fresh food and Bakery categories, the latter having benefited from an improvement in the offer, with smaller stores also starting to have ovens to provide their own Bakery services. The Company continued to invest in developing the Ready Meals category, which is valued by the Polish consumer who places increasing relevance on convenience, especially in the urban centres.

The competitiveness of Biedronka's offer with regard to price continued to be a key focus to the Company,

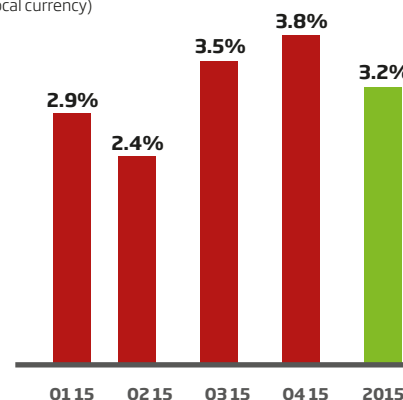
BIEDRONKA: NET SALES

(million euros)

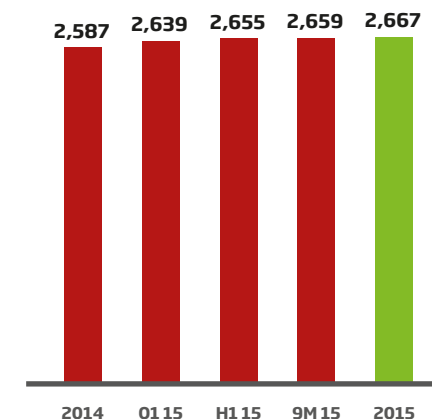


BIEDRONKA: LIKE-FOR-LIKE SALES GROWTH

(local currency)



BIEDRONKA: NUMBER OF STORES



through a policy of everyday low prices, reinforced with promotional activity, aiming to always meet the daily needs of the consumers.

As a result of the various measures implemented, and based on the strength of the value proposition, volume growth accelerated throughout the year, more than offset by internal basket deflation. As such, like-for-like sales grew by 3.2% in 2015.

2015 also marked the celebration of Biedronka's 20th anniversary. To celebrate the occasion, the slogan "Everyday low prices" was changed to "20 years of low prices" and "20 years together", highlighting the Company's core values. Apart from the specific promotions, there was an offer of "Vintage products", prepared in cooperation with business partners, who re-launched their products in limited edition vintage packages, exclusively for the special occasion.

It was the consumers who, using the digital platform "Testujemy" (we test) launched by Biedronka for that purpose, voted on the products that should be part of the anniversary celebration campaign.

Biedronka invested in its interaction with the consumer, launching a mobile application whereby the promotional campaigns could be viewed using a smartphone or tablet. This launch reinforced the banner's investment in communication and digital innovation.

Biedronka's Private Brand products achieved a weight of almost 50% in the total sales and continued to be one of the strategic pillars of the banner's offer and differentiation.

The implementation of payment in the stores by debit and credit card was concluded in July 2014, and throughout 2015 it continued to be increasingly

accepted by the Polish consumers. At the end of this year, around 30% of the transactions in Biedronka stores were paid by card.

Biedronka's sales grew 9.2% to 9,206 million euros (+9.1% in zlotys) with a like-for-like of 3.2% for the year. Like-for-like sales, without deflationary impact, increased around 6%, supported by a value proposition that earned the confidence of an increasing number of consumers and that enabled regular customers to benefit from an improved offer. The Company continued to increase its market share, reinforcing its leadership position.

With regards to expansion, and apart from the above-mentioned 102 store openings, there were 22 closures, most of them to replace existing stores with better location. Biedronka ended the year with a total of 2,667 locations.



4.1.2. HEBE



MESSAGE FROM THE MANAGING DIRECTOR

For Hebe, 2015 was a break-through year as we brought our test phase to conclusion and as we finalized both the value proposition and the business model fine-tuning.

Throughout the year, we continued a very disciplined improvement into three areas: i. adjusting the product offer to pure a health and beauty value model; ii. maintaining consistent efforts in directing the chain towards future profitability; and iii. building up teams and processes.

In terms of expansion, 2016 will be a year of building scale for Hebe, leveraging on the chain's uniqueness: the most attractive offer in the health & beauty market always at low prices with a differentiating shopping experience for demanding Polish consumers.

We are confident that the strength and the uniqueness of our concept will enable to achieve further successes in a very active Polish market, full of both challenges and opportunities.

2015 PERFORMANCE

In 2015, the Company's sales reached 100 million euros and its performance was driven by both a positive like-for-like sales growth and by new stores openings. This growth came not only from an increasing number of customers but also from the higher value of the average basket.

The chain opened 15 new stores, ending the year with a total of 134 locations.

To enhance sales performance and brand awareness, several seasonal campaigns took place during the year related to Valentine's Day, Women's Day, Easter, Christmas and New Year. Strong digital support with a 200 thousand fan base on social media and 350 thousand monthly users of Hebe's website continue to fuel brand recognition. Special note to the promotions that were supported using radio adverts, email campaigns, SMS for loyalty card holders and local distribution of leaflets.

Hebe's loyalty programme has approached 1.5 million members, 95% of whom are women. Moreover, over 60% of the chain's total sales are made by customers holding Hebe's loyalty card.

4.2. DISTRIBUTION PORTUGAL

4.2.1. PINGO DOCE



MESSAGE FROM THE MANAGING DIRECTOR

For us, 2015 was a year of strong sales performance, in which Pingo Doce once again proved itself to be the benchmark choice of the Portuguese consumers.

The objectives achieved were the result of the strategy that has been implemented over the last few years, whereby the Company clearly positioned itself in order to be prepared to serve the needs of consumers during tough times, considering the unfavorable evolution of household disposable income. This was a challenge that the Pingo Doce employees, mainly in the stores, were able to rise to with competence and dedication.

I believe that price is and will continue to be the factor with the greatest weight in the decision on which store to choose for shopping. Pingo Doce has been able to respond to the consumers' aspirations without compromising on the overall quality of its value proposition in the aspects that distinguish our brand in the market.

In this context, we maintained the intensity of our promotional strategy and invested in the quality of the shopping experience and in the innovation of the Private Brand, two extremely important pillars of our differentiation.

I believe that Pingo Doce ended the year with an improved value proposition and that it will continue to reinforce its position in the Portuguese market.

2015 PERFORMANCE

For Pingo Doce, 2015 was a year with a strong sales performance, which, once again, led to the reinforcement of its market share.

In 2015, and despite Portugal having experienced a slight food inflation, at Pingo Doce, food deflation in the basket continued to put pressure on prices, mainly in the Meat category.

Within this context, Pingo Doce achieved a solid sales growth of 5.4%, driven by the 4.6% like-for-like (excluding fuel), which represents 12 consecutive months of positive like-for-like.

In 2015, the Company made a strong investment in the store network, inaugurating 21 new locations (19 stores in net terms if we consider two replacements) and remodelling 29 stores.

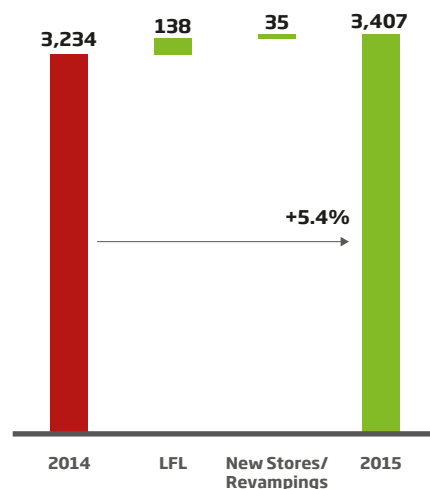
At the end of the year, the store network included 15 stores under third-party management, which contributed positively towards the good performance posted.

Cumulatively for the year, Pingo Doce sales showed a growth across all the categories, except fuel, which was influenced by the fluctuations in the price of oil.



PINGO DOCE: NET SALES

(million euros)



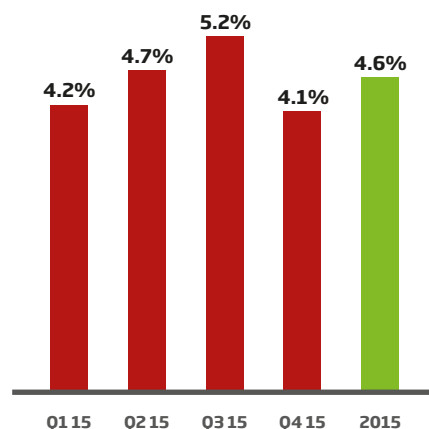
In an extremely competitive market, Pingo Doce reinforced its leadership position, delivering monthly gains in market share, which, in the year, was reinforced by 0.9 percentage points¹. This performance demonstrated the customers' preference for the banner.

In 2015, the number of Poupa Mais ('Save More') cards continued to increase, which reflects its importance in communicating with customers, as well as their recognition of the benefits associated with this loyalty programme.

The Private Brand should also be highlighted, with a weight of 34.5% in the 2015 sales, resulting not only from the reinforced communication and promotional dynamics but also from the launch of new products. During the year, 214 products were launched, with prevalence in the Grocery and non-specialised Perishables categories.

PINGO DOCE: LIKE-FOR-LIKE SALES GROWTH

(excl. fuel)



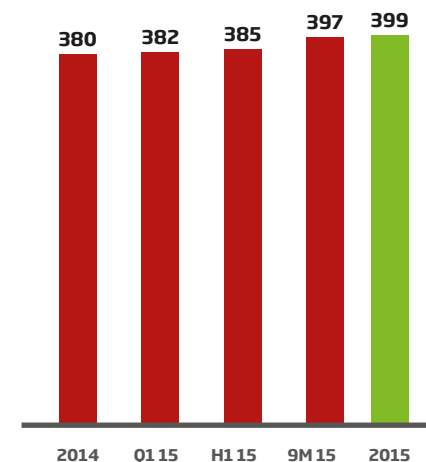
Besides reinforcing the Private Brand, one of the strategic differentiation pillars, investments were also made in the shopping experience by improving the services provided to the customers.

Pingo Doce maintained innovation as an important pillar in the reinforcement of its present and future competitiveness, particularly visible in first tests of the Pingo Doce & Go concept, which are small convenience stores located in petrol stations.

The efficiency and the level of service provided to the stores remain as a priority, evidenced by commencing the construction of a new Distribution Centre in the north of the country under the Company's logistics reorganization programme.

PINGO DOCE: NUMBER OF STORES

(excl. fuel)



Pingo Doce's EBITDA margin was 5.5%, from 5.8% registered in 2014, in a year in which the Company assumed sales growth and strict cost control to be its main objectives, minimising the impact of the food deflation and enabling an increase in the return on invested capital.

¹ **Source:** Internal estimates based on Turnover in Food Retail Trade published by INE (Turnover Index in Retail [2014 and 2015]; Turnover (€) of business by Economic Activity (CAE Rev. 3); Annual [2011-2013]).

4.2.2. RECHEIO



MESSAGE FROM THE MANAGING DIRECTOR

Despite the soft recovery felt in 2015, Recheio once again proved that it is focused on developing its business, maintaining a growth above the market and a strong increase in its customer base. Deflation continued to be a demanding challenge, especially due to the negative impact on the prices of Meat, Milk and Dairy Products. However, Recheio managed to overcome the challenge by using the thoroughness, optimisation and productivity that have always been the guiding principles of its business model.

This year was also marked by the reinforcement of the Company's new business areas. The Amanhecer stores project, with a further 105 store openings, reinforced its presence throughout the country, especially in the cities of Lisbon and Oporto. This project, that started five years ago, has been proving itself to be the new driving force of traditional commerce in Portugal. The Food Service area reinforced our relevance to the HoReCa market in Portugal, proving to be an important growth driver for Recheio in the last year.

2015 PERFORMANCE

The main challenge for Recheio during the year was to strengthen its market position, by increasing sales and customers in an environment that remained very competitive, despite the soft signs of revival of both the Traditional Retail and HoReCa channels.

2015 was a year in which the Company had a good performance both regarding sales growth, which reached 4.1%, and regarding attracting new customers, where it posted a 2.2% growth. The categories with the best sales performance were Beverages and Frozen Food, which recorded double-digit growth compared to the previous year.

In an environment that saw the recovery of the Traditional Market, with a cumulative growth of 2.8% in 2015 (Source: Nielsen – Scantrends), Recheio upheld its good performance and reinforced its project as a partner of this market through the opening of an additional 105 Amanhecer stores.

For the HoReCa channel, this was a year with a slight recovery, with the appearance of new restaurant concepts and a positive trend in the Hotel sector.

Recheio went ahead with developing the Exports area, having increased its sales not only in the markets in which it was already present, but also in new markets, such as the Republic of the Congo, Mauritania, Namibia, Ireland, Italy and the Netherlands.

This year, the Company continued with the project for renewing its store network, having remodeled two stores. In Ramalde, a new layout was implemented by introducing a Bakery section and in Valença, focus was placed on improving the implementation of the Frozen Food area.

Recheio pursued the project for renewing the Private Brand product packaging, in order to improve its offer. It launched 131 products during the year and relaunched 22 products from the MasterChef, Amanhecer and Gourmês brands.

2015 was the year in which Recheio celebrated its 43rd anniversary and, once again, we organised a trip with our best clients, this year the destination being the Greek Islands, in order to reward its clients with the highest purchasing volumes and biggest sales growth compared to the previous year. A strong campaign was also organised around the Company's anniversary, with various associated initiatives.

In January 2015, Recheio launched a loyalty programme, which consists of attributing points for an increase in purchases compared to the previous year, whereby the customer may exchange it for various prizes, including a professional transport vehicle, hotel equipment, technology or training initiatives. The aims of this programme are to increase the average purchase and to give more advantages to customers who concentrate their purchases at Recheio.

The good sales performance within the same store network enabled the Company to improve its profitability, reaching an EBITDA margin of 5.3% of sales.



4.3. DISTRIBUTION COLOMBIA - ARA



MESSAGE FROM THE MANAGING DIRECTOR

The year of 2015 was a historic milestone for our operation in Colombia. It was the year in which we opened the second region, the Caribbean Coast, giving a clear sign of our commitment to success in the country.

We recognise that Colombia is a country of regions, where the tastes and preferences of the consumers vary considerably, and so when entering the new region we had to adjust our stores to a new market reality. Naturally, we maintained the essence of our value proposition, our identity and our positioning. We adjusted our assortment and marketing activities to meet the regional demands of the consumers from the Caribbean Coast.

It is clear to us that our flexibility and capacity to address the different market profiles will be the key to being successful in Colombia, and so we have prepared our teams to effectively respond to this type of market.

It was also in 2015 that we built our first Distribution Centre from scratch. We applied the Jerónimo Martins logistics know-how to build an infrastructure that is prepared to respond to and comply with the most demanding requirements.

We are still at a learning stage, whilst growing in a consistent and sustained way, in order to firmly establish the foundations of this business that we aim to make relevant for the Jerónimo Martins Group.

Our team has remained determined, resilient and with a pioneering spirit, all essential aspects for delivering the expected results. This year's performance has placed us on the right track for meeting the ambitious targets that we have for this market.

2015 PERFORMANCE

The two main objectives for 2015 were to consolidate our presence in the Coffee Growing Region and to commence operations in the Caribbean Coast region, with the opening of a Distribution Centre and 41 stores.

In the first region (Coffee Growing Region), Ara consolidated its market position with the opening of 15 stores, ending the year with 101 locations.

During the year it remained focused on optimising the assortment, fitting it to the needs of the Colombian consumers, and in developing campaigns involving activities with customers, in order to create an emotional link between the banner and the local communities.

Since the beginning of the year, the Company's main challenge was the opening of the second logistics platform and stores in the Caribbean Coast region, which took place in the beginning of September.

As such, during the last four months of the year, Ara opened 41 stores, starting its operation in that region and differentiating itself through competitive prices and the Private Brand offer.

Considering the social and economic differences between the different Colombian regions, around 20% of the assortment takes into account the characteristics of each region, enabling the value proposition to be adapted to the consumers we serve.

One of Ara's differentiating factors is its Private Brand assortment, which has been very well accepted by the Colombian consumers and which, in a short period of time, represents 37.5% of the Company's sales.

4.4. MANUFACTURING, DISTRIBUTION AND RESTAURANTS & SERVICES

4.4.1. MANUFACTURING

4.4.1.1. UNILEVER JERÓNIMO MARTINS (ULJM)



MESSAGE FROM THE MANAGING DIRECTOR

This was a successful year for Unilever Jerónimo Martins (ULJM), reaching all set objectives.

For the third successive year, the Company increased its sales in both volume and value, and it increased its cash flow. For the fourth consecutive year, it increased its market shares, reinforcing competitive position, both through the repositioning of the value proposition in the segments in which it operates and through innovation.

We entered new market segments by launching new Domestos products and Alsa ready-to-eat jellies. For the second consecutive year, we carried out “Sou Olá” (I’m Olá), a social responsibility programme that aims to reduce the youth unemployment rate and, at the same time, boost the brand’s sustainable growth. We were pioneers in this project that has become a reference in Portugal and in Unilever’s international universe.

2015 PERFORMANCE

This year was marked by a positive performance in sales, market shares and margins.

The Company grew for the third consecutive year, increasing sales by 3% compared to the previous year. ULJM registered increases in market share in the categories that represents more than two thirds of its sales, notably the growth in the Home Care and Personal Care areas.

Of particular note was the good year for exports, namely in the Ice Cream and Margarine categories.

In terms of launches, of note in the Home Care category are the new Domestos brand products and in the Food category the reinforcement of the Knorr stock cube range, with the launch of various sauces.

The Company increased its EBITDA margin as a result of the sales increase, but also due to the improved mix of products sold and the ongoing careful cost efficiency.

In 2015, the investment in advertising remained high, focused primarily on digital marketing.



4.4.1.2. GALLO WORLDWIDE



MESSAGE FROM THE MANAGING DIRECTOR

The year of 2015 was strongly conditioned by the weak olive oil harvest, which caused an increase in the raw material prices to an all-time high. The subsequent increase in the upstream prices led our distributors, retail and, finally, the consumer to lower demand, culminating in a double-digit retraction in the worldwide market.

Our main markets underwent unfavourable economic constraints and a severe devaluation in their respective currencies, triggering the increase in shelf prices which, in some cases, meant trebling the public retail price in local currency.

The Company was able to resist this adverse environment, safeguarding its profitability and taking advantage of the market conditions to reinforce its global position, hence becoming the 2nd largest olive oil brand in the world.

We anticipate more favourable conditions for 2016, with regard to the price of the raw material, but adverse and uncertain economic conditions of the main markets in which we operate (LatAm and Africa).

2015 PERFORMANCE

2015 was a year of solid performance, with the Company's sales posting a 2% growth, despite some contraction in volume.

The abrupt rise in the price of the raw material was reflected in the significant increase of around 40% in prices of olive oil to the final consumer, causing some resistance regarding volumes, both from the final consumer and the volume of stocks in the value chain.

Another important factor that affected our main markets was the significant exchange rate devaluation of some countries' currencies, namely in Brazil and Angola, which caused a considerable increase in the prices of olive oil in those markets.

Also as far as challenges in the key markets are concerned and taking into account the unfavorable macro-economic situation, in Brazil there was an increase in fraud in the authenticity of the olive oil sold in this market. Work was carried out, in partnership with the Brazilian authorities, to counteract such situations, which had a negative impact on the market.

The 2015 performance was achieved whilst safeguarding the Company's profitability, by carrying out an adjusted sourcing policy and defining appropriate prices.

In Portugal, with a focus on innovation, there was a re-launch of vinegars, which boosted this category, enabling Gallo to be re-positioned as the second Company in terms of market share.

Aiming to reinforce the efficiency of the operation, partnerships were established with other international players, with a view to generate greater logistics efficiency.

4.4.2. MARKETING, REPRESENTATIONS AND RESTAURANT SERVICES

4.4.2.1. JERÓNIMO MARTINS DISTRIBUIÇÃO DE PRODUTOS DE CONSUMO (JMDPC)



MESSAGE FROM THE MANAGING DIRECTOR

2015 was a positive year for JMDPC. The Company once again grew in the domestic market and yet again out-performed it. The newly represented brands - Barilla, Patak's and Amoy - reinforced the portfolio in the existing categories and channels, without jeopardising the like-for-like growth.

Despite the contraction registered in its export business, JMDPC managed to gain dimension overall. Even with its two international markets in crisis, the Company almost doubled the number of countries in which it is present.

These results demonstrate that we defined the right path, with ambition and focus, and that we have carved the right way on that path, arming ourselves with the right competencies and stimulating a culture of change.

2015 PERFORMANCE

JMDPC's sales in the domestic market recorded a 5.2% growth. This performance was above that of the market, which grew 1.4% in the total of FMCG, with Food increasing 0.6% and Beverages 3.8% (Nielsen-Scantrends).

Sales grew in all categories except the Cereals category. From the remaining categories, of note are the ones in which the Company has been gaining importance - Dairy Products and Snacks - with a growth of 21% and 15%, respectively.

In terms of brands, the Company reinforced its market share in 83% of the represented brands. The newly represented brands - Barilla in the Pasta and Pasta Sauces category and Patak's and Amoy in the Asian Food category -, which were sold as from the end of the first half, already represent 2.3% of the total sales.

Exports in 2015 amounted to 5.7% of JMDPC's sales, having recorded a 6.4% decrease compared to the previous year, due to the economic difficulties felt in the Angolan and Brazilian markets. However, sales to the Asian markets increased significantly. This year, sales were made to 25 markets. Exports of Portuguese brands, which have been the Company's focal point over the last few years, increased by 4.3%.



4.4.2.2. JERÓNIMO MARTINS RESTAURAÇÃO E SERVIÇOS (JMRS) AND HUSSEL



MESSAGE FROM THE MANAGING DIRECTOR

In 2015, despite a demanding macroeconomic environment, JMRS and Hussel once again exceeded our expectations in terms of results.

The Jeronymo, Olá and Hussel banners achieved positive performances, demonstrating the resilience of their value proposals. The performance of the Olá stores should also be highlighted, as it had a like-for-like sales growth of 4%.

2015 PERFORMANCE

In 2015, the Company posted a positive sales evolution compared to the previous year, the main highlight being the performance of the Olá banner which posted a 4.0% like-for-like.

During the year under review, two Jeronymo coffee shops were inaugurated in the Lisbon area, located in Belém and Benfica. Various communication initiatives took place throughout the year at the point-of-sale and on Facebook, such as the launch of a new family of summer drinks, the launch of Jeronymo tea and herbal tea, sold as leaf tea, the introduction of Jeronymo biscuits and cookies in four flavours, “O nosso Bolo Rei” (Portuguese Christmas cake) and “Brigadeiro de Natal” (Christmas Chocolate Truffles).

The main growth drivers of Olá’s sales were the increase in customer traffic, due to the very high temperatures during the year, as well as due to the various marketing

campaigns that took place, especially “O Meu Cornetto David Carreira” (My David Carreira Cornetto ice cream), which is leveraged on the notoriety and popularity of that singer.

The high temperatures had an impact on Hussel, especially in December, leading to a lower sales performance than in the previous year. As far as marketing is concerned, Hussel invested in seasonal themed campaigns (St. Valentine’s, Easter, Mother’s Day, Children’s Day, Popular Saints, among others), whose implementation was a great success in the stores, on its institutional website and on Facebook. In the last quarter of the year two kiosks “Giro by Hussel” were opened in the Alegro Shopping Centre in Setúbal and in the Dolce Vita Shopping Centre in Coimbra (a pop-up store).

The Company closed the year operating 70 stores: 18 Jeronymo coffee shops, 27 Hussel confectioner’s (including three “Giro by Hussel” kiosks) and 30 Olá ice cream parlors, five of which are franchised stores.

4.5. AGRO BUSINESS

4.5.1. JERÓNIMO MARTINS AGRO-ALIMENTAR (JMA)



MESSAGE FROM THE MANAGING DIRECTOR

The year of 2015 was an historic landmark for JMA as it was its first year in operation with the launch of the first two business areas: the Dairy Products factory in Portalegre and the Angus Beef Cattle Fattening Unit in Manhente, Barcelos.

On June 1st, the formal conveyance of Cooperativa Serraleite's factory was completed, in a process whereby 50 employees from Cooperativa were integrated into the management of Jerónimo Martins Lacticínios de Portugal and which resulted in this new unit adapting to the work processes of the Jerónimo Martins Group.

In October, we began fattening Angus Beef Cattle in our first unit, which has the capacity for 1,000 animals, supported by a team that is in a permanent working relationship with the corporate structures of the Group and the different Companies, and that is supported by a vast network of knowledge present in institutions from the Portuguese and international Scientific and Technological System.

We are starting out with confidence for the future, aware that, although 2015 is just the first year, it already demonstrates the ambition that mobilises us.

2015 PERFORMANCE

The Company's objective is to develop businesses in the Agro-Food area with a view to have direct access to supply sources of certain food products considered to be strategic, thereby ensuring the Group's internal needs, with competitive cost, efficiency and quality conditions, supported by the right research and development strategy, strongly directed at the market.

In June 2015, when the formal conveyance of the Cooperativa Serraleite factory was completed, the Private Brand UHT milk production and cream production began, both for Pingo Doce and Recheio.

We aim to maintain production in this factory until the new factory has been concluded, which is currently in development and which will enable us to increase the production of milk and its derivatives in excellent conditions.

In October 2015, the project for Angus fattening began, consisting of creating centres that buy and feed (up to the age of slaughter) Angus animals from producers who are not interested in fattening the animals beyond the weaning age. The ultimate objective is to sell the meat to the Group's Companies, improving and differentiating the offer in the meat counters with high quality Angus beef at competitive prices.



5. OUTLOOK FOR 2016



As a result of a more favourable macroeconomic outlook, as projected by official entities, the Food Retail market should grow at a faster pace than in 2015.

5.1. POLAND

MACROECONOMIC ENVIRONMENT

For 2016, the Polish economy is expected to maintain the GDP growth trend seen in 2015. This evolution should be simultaneous with a moderate increase in worldwide economic activity. If, on one hand, recovery is progressing in the advanced economies, on the other hand, many of the emerging economies are showing a growth slowdown. The most recent estimates by the Polish Central Bank (NBP) for the growth in the Polish GDP in 2016 point to 3.3%.

The Polish GDP should be influenced more by the positive trend in the job market combined with all-time low interest rates and the low prices of raw materials, than by the moderate recovery of the Euro Zone. These factors should boost private consumption and investment, the two components which are hoped to stimulate economic growth.

It is probable that inflation will turn to positive in 2016, with the NBP's most recent estimates indicating a 1.1% increase in prices. However, inflation should start the

year at still moderate levels, due to the deflationary effect on the prices of energy, and accelerate during the second half of the year. With regard to food inflation, it is expected that we will see a return to positive values in the first months of 2016.

Unemployment should stay below 10%, lower than in 2015, although still a smaller reduction than seen in the last two years. According to the NBP, wages in the Polish economy should increase by approximately 5% in 2016.

With regard to the monetary policy for 2016, it is expected that the Polish Monetary Council will change its position and, in accordance with the guidelines of the new Government, will concentrate on stimulating economic growth. As such, it is possible that the reference rate is reduced during 2016.

Regarding the exchange rate, this should remain above the four zlotys per euro in the long term. However, short-term expectations are strongly dependent on the policies adopted by the European Central Bank, the Federal Reserve of the United States of America and the Polish Government, introducing a high volatility and making it difficult to predict the behaviour of the Polish currency during 2016.

MODERN FOOD RETAIL

As a result of a more favourable macroeconomic outlook, as projected by official entities, the Food Retail market should grow at a faster pace than in 2015.

It is expected that consumers will increase their spending on food compared to previous years. However, the growing demand for healthier eating and an increasingly important role attributed to the quality of the products will require operators to adapt their assortment. An expansion in the offer of non-food products is expected, as well as an increase in the offer of regional products.

An increase in the number of consumers who value convenience and chose to do their shopping in stores located close to their residence is also anticipated. Equally, the improvement in the economic outlook for households could lead to traditional food products being replaced by food services or "ready meal" solutions.

The consolidation of the Polish Food Retail market should continue. On the other hand, it is expected that

the operators diversify their current formats, whilst at the same time increasing their investment in existing stores, in order to improve the shopping experience.

In 2016, the Modern Retail market will be affected by the implementation of a sales tax, according to the new Government proposal. Details of the bill are still being discussed.

HEALTH AND BEAUTY RETAIL

The Health and Beauty market in Poland should continue to grow at a rate of around 5% a year, with the prospect of reaching a value of 26 billion zlotys in 2019, according to the projections by PMR Research.

The main operators have been growing at a pace of 150 to 170 stores a year since 2011, driven by a market with high growth rates and by the conversion of individually operated stores that were not able to compete with organised chains.

Private Brands continue with high market gains in organised retail and make a large contribution to the

growth in the sale of fast-moving consumer goods, based on the reinforcement of consumer confidence in these products. This aspect may also prove to be an opportunity to expand the exclusive brands in Health and Beauty retail, promoting differentiation and offering a strong compromise between quality and price.

It is expected that the expansion of the discount stores, as well as the increase in the offer of Health and Beauty products in these stores will continue to put pressure on the specialised chains.

On the other hand, the anticipation of an increase in purchasing power and the improvement of the consumers' financial position should lead to an increase in the purchases of mid and high-range beauty products available in the Health and Beauty stores.

The increase in Polish consumers' confidence should sustain the sales of non-prescribed pharmaceuticals, with an anticipated growth of between 3% and 4% for the next few years. It is estimated that this progression is mainly driven by the food supplements category, which should boost the market with growth rates above 10%.



5.2. PORTUGAL

MACROECONOMIC ENVIRONMENT

Banco de Portugal (the Portuguese Central Bank) predicts that the Portuguese economy will continue to recover and expects a growth in GDP of 1.7% in 2016, close to that projected for the Euro Zone. At the time of its publication, the values disclosed in the last Economic Bulletin show greater uncertainty than usual, particularly as the State Budget for 2016 had not yet been approved.

This projection is supported by the sustained growth in domestic demand (+1.8%) along with a robust growth in exports (+3.3%).

Private consumption should increase by 1.8% in 2016 (+2.7% in 2015), in line with disposable household income, with an environment of moderate recovery of employment, wage moderation in the private sector and a rise in consumer prices. A slowdown in the consumption of durable goods to an average annual growth of around 3% and a growth of 2% in the consumption of non-durable goods is predicted.

Growth of 0.3% in public consumption is expected, based on a less significant reduction in the number of civil servants, conditioned by the need for budgetary consolidation and the increase in expenditure on the acquisition of goods and services.

Similarly, there is an indication of an acceleration of investment in 2016 (+4.1%), after an estimated increase in 2015 of 4.8%.

Inflation should reach 1.1% in 2016 (+0.5% in 2015), as a consequence of the increase in the prices of non-energy services and goods, while the variation in the price of energy should be close to zero.

According to the Portuguese Central Bank forecast, the depreciation of the euro against the dollar should have a positive impact on the evolution of the Portuguese GDP, arising mainly from the increase in exports. In addition, imports will tend to decrease in the first phase, conditioned by the evolution of the euro, but in the following years, and assuming there is currency stabilisation, the effect of the increase in imported quantities will have a negative impact on GDP evolution.

For 2016, the Government estimates a general government deficit of 2.8% of GDP, the equivalent of 5.2 billion euros.

MODERN FOOD RETAIL

After a year of economic growth, albeit modest, in 2016 we should continue to see a slight improvement in the majority of macroeconomic indicators, with the expectation of a slightly higher growth in GDP than in 2015, supported partly by the increase in consumption, estimated at around 1.8%, which in turn should support the growth in retail.

With regard to consumption trends for 2016, we should continue to see an increasing demand for healthier alternatives, development of the Private Brand with high quality standards that meet the needs of the consumers and reinforcement of convenience as a key factor in the purchasing process.

Nevertheless, at the same time, the price, promotion and proximity factors will continue to be critical for consumers' choices. Equally, it is expected that we will continue to see strong competitive pressure and promotional dynamics in Food Retail.

WHOLESALE FOOD MARKET

In 2016, the positive evolution of the economy and of consumer confidence is expected to be maintained, which should enable the recovery of out-of-home consumption.

As was the case in 2015, the good performance in the tourism, hotel and restaurant services sectors should continue to make a positive contribution towards the growth of the economy. On the other hand, Traditional Retail will continue its investment in the modernisation of the store network, supported by integrated business programmes, such as the Amanhecer stores. The development of these two channels, HoReCa and Traditional Retail, should contribute towards boosting demand in the Cash & Carry market.

5.3 COLOMBIA

MACROECONOMIC ENVIRONMENT

The Colombian economy will be very much dependent on international economic development, in particular

the evolution of the price of oil, but also on factors such as the possible slowdown of the Chinese economy and the probable increase in the interest rates of the Federal Reserve of the United States of America.

In addition, the crisis in Eastern Europe, the doubts about the stability of the Euro Zone or even the increasing disturbance in Latin America may further condition global economic growth and, consequently, the Colombian economy.

From a domestic point of view, the peace process is fundamental for the economic and political stability of the region. The date put forward by the Colombian Government for signing the peace agreement is March 2016.

The Colombian State's strong dependence on the income from oil should condition the already planned tax reform, which will most probably mean an increase in taxes, namely VAT, which in turn will affect retail during 2016.

Additionally, there will surely be other conditioning factors, notably the Central Bank's monetary policy

to combat inflationary pressures, which will remain as a key topic for economic activity, taking into account the impact that inflation may have on domestic consumption, one of the main economic growth drivers. Nevertheless, in 2016, it is expected that consumption will continue to be quite dynamic.

The Colombian peso should remain significantly devalued, which should at least benefit exports, already boosted by the recent trade agreements with China and Japan.

The estimated growth for Colombia in 2016 should once again be higher than the average for Latin America, but lower than recorded in the last few years.

MODERN FOOD RETAIL

With the growth of the middle class in Colombia, which should soon represent around one third of the population, it is anticipated that we will see an increase in household consumption, especially in the Food Retail sector.

Similarly to 2015, soft discounts are predicted to continue to be the growth driver in 2016, notably their price



and proximity positioning, and so a lower growth in Traditional Retail is therefore also expected.

The major operators in the market are also expected to invest in loyalty campaigns and in strong promotional campaigns.

According to our experience, we will continue to see a reinforcement of consumers' attachment to their neighbourhood commerce, not only to avoid travelling but also because they are conditioned by poor road infrastructures.

In addition, we should see a more rational trend in consumption and a higher penetration of Private Brands, which are beginning to gain relevance in the market.

With regard to sales growth by category, the Colombian market will still remain very focused on the so-called basic categories, such as Grocery, which should continue to grow well. The Personal Care category on the other hand will probably lose importance in the Traditional and Modern Retail segment due to the appearance of a new channel, characterised by direct sales.

5.4. OUTLOOK FOR THE JERÓNIMO MARTINS BUSINESSES

Jerónimo Martins will continue to adopt financial prudence that fosters a strong balance sheet and maximises the return on its assets. The Group believes that the businesses it operates have differentiated value propositions, focused on price, quality and consumer service and on operational cost-efficiency, and that they are in a good position to continue performing ahead of their respective markets, as proven in previous years.

BIEDRONKA

In 2016, sales growth will remain Biedronka's main priority and the Company will continue to invest in the continuous innovation of its assortment and operation in order to secure being the preferred choice of the Polish consumer.

To do so, the Company is already relying on the improvements made to its offer, which will continue

to be optimised, boosting a progressive increase in the share-of-wallet. The Perishables, Personal Care and Ready Meal categories present interesting development and differentiation opportunities.

With regard to the expansion programme, Biedronka expects to inaugurate around 100 new locations.

Priority will continue to be placed on the efficiency of the operation as a source of competitive advantage in order to guarantee the positioning as price leader.

HEBE

In 2016, the reinforcement of the assortment with more Exclusive and Private Brands will be a priority in order to further differentiate the offer as well as to increase, among our customers, Hebe's perception of having the best price-quality relationship. We will keep our affordable price positioning with a dynamic trade marketing programme developed in cooperation with our suppliers. The expansion plan will continue to be an important driver to gain scale and also to improve the awareness of the brand.

PINGO DOCE

In 2016, Pingo Doce will continue to move ahead with the logistics reorganisation process, having planned the inauguration of a new Distribution Centre in the North of the country. At the same time, it will strengthen its presence in proximity locations by opening around 10 stores, whilst maintaining its investment in improving the store standards. As such, the remodelling programme will continue.

The environment is expected to remain competitive and the Company will continue to give priority to strengthening its market position, supported by the competitiveness of its pricing policy, and to developing its Private Brand, as a means of further differentiation.

RECHEIO

In 2016, Recheio will remain focused on consolidating its market position and on increasing its sales in all the segments it operates. Special attention will be given to exports, where there is a relevant potential and to the Food Service area, where the Company has been investing and which will be boosted by the launch of the new institutional website, thereby enabling contact with customers to be optimised.

During the course of the year, the inauguration of a store in Sines is also planned, aimed at reinforcing customer penetration in the Alentejo Coast.

ARA

In 2016, we aim to continue with the expansion in the second region, leveraging reinforced brand notoriety on the opening of new stores. In the second half, operations are planned to commence in a third region of the country, which will imply inaugurating another Distribution Centre to serve the new stores.

The Company will continue to focus on increasing its presence in the Colombian market and its main challenges, with regard to human resources, will be its capacity to recruit and train new employees, as well as to mobilise Private Brand suppliers to accompany its pace of growth.

MANUFACTURING AND SERVICES

ULJM

In 2016, Unilever Jerónimo Martins' ambition is to maintain the sales growth recorded in the previous year,

focusing on the Personal Care category, which has the greatest potential. The Company predicts that the level of competitiveness in the Portuguese market is unlikely to slow down and aims to reinforce the efficiency of its production costs in order to also enable exports to be increased, mainly in the Ice Cream and Margarine categories.

GALLO WORLDWIDE

For Gallo Worldwide, the main projects in 2016 involve achieving growth in the markets where the Company already has consolidated positions and preparing the entry into new markets, in order to boost sales. The challenges faced in 2015 regarding the price rise of raw material are expected to continue in 2016, even though there is an anticipation of a reduction in the prices of the raw material, which should nevertheless remain above the average for the last few years.

JMDPC

In the domestic market, priority will continue to be given to reinforcing the market shares of the represented brands, increasing the relevance of the categories where the



6. POST BALANCE SHEET EVENTS

At the conclusion of this Report there were no relevant events to highlight that are not disclosed in the Financial Statements.

**In 2016, we plan to
continue studding and
developing new
Agro Business projects,
including Aquaculture.**

Company is present. Winning represented brands in new categories will also be important, as a way of diversifying and ensuring future growth, and as a way of boosting synergies from the operations.

In exports, the Company will pursue the path of taking Portuguese brands “across the world”, diversifying the portfolio and destination markets. In this phase, it will be essential to reinforce our sourcing competences and those related with international markets.

JMRS & HUSSEL

In 2016, JMRS will remain focused on expanding its network of Jeronymo coffee shops and on assessing the potential of the “Giro by HusseI” gummies kiosks.

AGRO BUSINESS

JERÓNIMO MARTINS AGRO-ALIMENTAR

During 2016 it is expected the building of a new dairy products factory in Portalegre to be concluded in the middle of 2017. This will be a modern factory of excellence,

with the right conditions for an efficient production of high quality milk and milk products.

Within the scope of the Angus beef cattle fattening project, it is planned that the supply of meat from this farm to Pingo Doce will already start in the first half of 2016. It is also planned to increase, throughout the year, the number of animals in this project.

In 2016, we aim to continue studying and developing new projects in other strategic areas, mainly in Aquaculture, which may include establishing partnerships or cooperation agreements.

Sources:

IMF World Economic Outlook; Eurostat; Bank of Portugal Economic Bulletins; Portuguese Ministry of Finance; Portuguese National Statistics Institute (INE); National Bank of Poland Economic Bulletins; Central Statistical Office (GUS); Banco de la República (Colombian Central Bank); Colombia National Administrative Department of Statistics (DANE); Business Monitor International (BMI); BBVA; Planet Retail; Deloitte; TNS; Nielsen and PMR Research.

7. DIVIDEND DISTRIBUTION POLICY

The Company's Board of Directors maintained a policy of dividend distribution based on the following rules:

- The value of the dividend distributed must be between 40% and 50% of ordinary consolidated net earnings;
- If, as a result of applying the criteria mentioned above, there is a drop in the dividend in a certain year compared to that of the previous year, and the Board of Directors considers that this decrease is a result of abnormal and merely circumstantial situations, it may propose that the value from the previous year should be maintained. It may even resort to free existing reserves, providing that the use of these reserves does not jeopardise the principles adopted for balance sheet management.

In accordance with the above-mentioned directives, in relation to the 2014 fiscal year, the gross dividend allocated to shareholders was 0.245 euros per share, paid in May 2015.

At the end of 2015, the better than planned cash flows throughout the year led the Group to post a lower than expected level of debt. In view of this level of debt, of the maintenance of the Group's investment plans and having

guaranteed the financial flexibility to take advantage of any growth opportunities (non-organic) that may arise in the short-term, was proposed by the Board of Directors and approved at the Extraordinary Shareholders' Meeting of Jerónimo Martins SGPS, S.A., which took place on December 16, 2015, the appropriation of free reserves in the sum of €235,662,832.50, the equivalent of a gross value of 0.375 euros per share. Payment of that sum was made in December 2015.

As such, the amount paid was in anticipation of the value of the dividends that would normally be paid in May 2016, within the terms of the above-mentioned dividends policy and also included an additional extraordinary component.

Taking into account the excellent performance recorded in late 2015, net debt at December 31 remained at very low levels, even after the free reserves payment mentioned above. Having secured the resources needed to implement the outlined plans by the Group, the Board of Directors decided to propose to the Shareholder's Meeting, regarding the 2015 results appropriation, the payment of an additional dividend.

8. RESULTS APPROPRIATION PROPOSAL

In the financial year 2015, Jerónimo Martins, SGPS, S.A. declared consolidated profits of 333,341,727.01 euros and a profit in individual accounts of 260,487,957.66 euros.

The Board of Directors proposes to Shareholders that the net profits be applied in the following manner:

- Legal Reserve.....13,024,397.88 euros
- Free Reserves.....80,928,491.48 euros
- Dividends166,535,068.30 euros

This proposal represents a gross dividend payment of 0.265 euros per share, excluding own shares in the portfolio, corresponding to a dividend yield of 2.24% on the average share price in 2015, which was 11.84 euros.

Lisbon, 1st March 2016

The Board of Directors

9. CONSOLIDATED MANAGEMENT REPORT ANNEX

INFORMATION CONCERNING STAKES HELD IN THE COMPANY BY MEMBERS OF THE BOARD OF DIRECTORS AND STATUTORY AUDITOR

(Under the terms of paragraph 5 of article 447 of the Portuguese Commercial Companies Code)

THE BOARD OF DIRECTORS

Members of the Board of Directors	Held on 31.12.14		Increases during the year		Decreases during the year		Held on 31.12.15	
	Shares	Bonds	Shares	Bonds	Shares	Bonds	Shares	Bonds
Pedro Manuel de Castro Soares dos Santos	274,805	-	-	-	-	-	274,805	-
Alan Johnson	30,075	-	-	-	-	-	30,075	-
Andrzej Szlezak	-	-	-	-	-	-	-	-
António Pedro de Carvalho Viana-Baptista	-	-	-	-	-	-	-	-
Artur Stefan Kirsten ¹	n.a.	-	-	-	-	-	-	-
Belonging to company in which is a Director (sec. d), § 2 of Article 447 Commercial Companies Code) ²	n.a.	-	-	-	-	-	353,260,814	-
Clara Christina Streit ¹	n.a.	-	-	-	-	-	800	-
Francisco Manuel Seixas da Costa	-	-	-	-	-	-	-	-
Hans Eggerstedt	19,700	-	-	-	-	-	19,700	-
Henrique Manuel da Silveira e Castro Soares dos Santos ¹	n.a.	-	-	-	-	-	26,455 ³	-
José Manuel da Silveira e Castro Soares dos Santos ⁴	20,509	-	-	-	-	-	n.a.	-
Belonging to company in which is a Director (sec. d), § 2 of Article 447 Commercial Companies Code) ²	353,260,814	-	-	-	-	-	n.a.	-
Nicolaas Pronk	-	-	-	-	-	-	-	-
Belonging to company in which is a Director (sec. d), § 2 of Article 447 Commercial Companies Code) ⁵	31,464,750	-	-	-	-	-	31,464,750	-
Sérgio Tavares Rebelo	-	-	-	-	-	-	-	-

¹ Appointed in April 9, 2015, to the Board of Directors.

² Sociedade Francisco Manuel dos Santos, B.V.

³ Of which 1,500 shares held by spouse.

⁴ Ceased his duties as Director on April 9, 2015.

⁵ Asteck, S.A.

Statutory Auditor

As at 31st December, 2015, the Statutory Auditor PricewaterhouseCoopers & Associados, SROC, Lda. did not hold any shares or bonds of Jerónimo Martins, SGPS, S.A. and had not made any transactions, this year, with Jerónimo Martins, SGPS, S.A. securities.

LIST OF TRANSACTIONS MADE BY PERSONS WITH MANAGERIAL RESPONSIBILITIES AND PEOPLE CLOSELY CONNECTED WITH THEM

Under the terms of paragraph 7 of Article 14 of CMVM Regulation 5/2008, Jerónimo Martins, SGPS, S.A. hereby informs that no transactions were made by persons with managerial responsibilities in the Company during the course of 2015.

LIST OF QUALIFYING HOLDINGS AS AT 31ST DECEMBER 2015

(Pursuant to paragraph 4 of Article 448 of the Commercial Companies Code and in sub-paragraph b) of paragraph 1 of Article 8 of the CMVM Regulation no. 5/2008.)

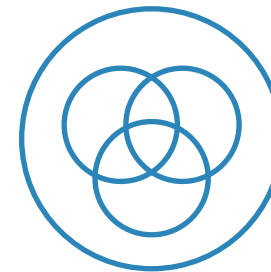
Shareholder	No. of Shares Held	% Capital	No. of Voting Rights	% of Voting Rights*
Sociedade Francisco Manuel dos Santos, SGPS, S.A.				
Through Sociedade Francisco Manuel dos Santos, B.V.	353,260,814	56.136%	353,260,814	56.136%
Aberdeen Asset Managers Limited				
Directly	31,482,477	5.003%	31,482,477	5.003%
Heerema Holding Company Inc.				
Through Asteck, S.A.	31,464,750	5.000%	31,464,750	5.000%
BNP Paribas Investment Partners, Limited Company				
Through Investment Funds Managed by BNP Paribas	13,536,757	2.151%	12,604,860	2.006%

Source: Last communications made by the shareholders with qualifying holdings to Jerónimo Martins, SGPS, S.A.

* Based on the total number of shares under the terms of section b), paragraph 3 of article 16 of the Portuguese Securities Code.







III. HOW WE ARE ORGANISED

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PART I - INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

The Company recognizes that the use of new technologies encourages shareholders to exercise their right to vote. Since 2006, has adopted adequate mechanisms so that they may vote electronically in General Shareholders' Meeting.

SECTION A SHAREHOLDER STRUCTURE

SUBSECTION I CAPITAL STRUCTURE

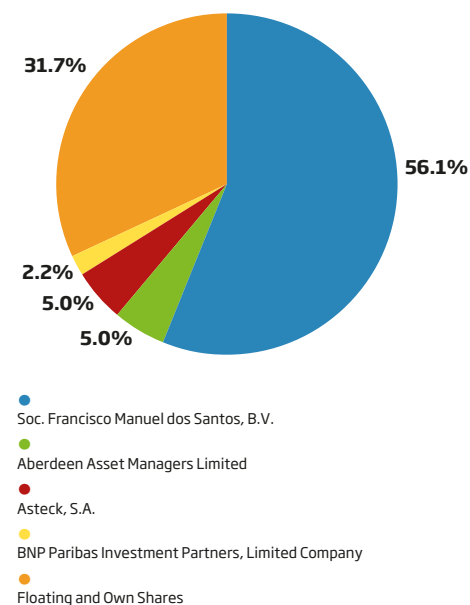
1. CAPITAL STRUCTURE

The Company's share capital is 629,293,220 euros. It is fully subscribed and paid up, and divided into six hundred and twenty-nine million, two hundred and ninety-three thousand, two hundred and twenty shares with a nominal value of one euro each.

All issued shares are ordinary, there are no other categories of shares and all shares have been admitted to trading on the NYSE Euronext Lisbon stock exchange.

The Company's shareholder structure is the following, with reference to 31st December 2015*:

* According to the last communications made by the shareholders with qualifying holdings to Jerónimo Martins, SGPS, S.A. up to the said date.



2. RESTRICTIONS ON THE TRANSFER OF SHARES

Jerónimo Martins' shares are freely transferable and there are no restrictions concerning their tradability.

3. OWN SHARES

The Company holds 859 thousand shares in its own portfolio, which were acquired in 1999 at an average price of 7.06 euros per share (price adjusted by the restatement of capital). These shares represent 0.14% of the Company's share capital, which would correspond to equal percentage of voting rights.

4. SIGNIFICANT AGREEMENTS TO WHICH THE COMPANY IS A PARTY AND THAT TAKE EFFECT, ARE ALTERED OR CEASE IN CASE OF CHANGE IN THE CONTROL OF THE COMPANY AFTER A TAKEOVER BID

There are no significant agreements (including financing agreements) to which the Company is a party and that

come into effect, are amended or terminated in case of a change in the control of the Company after a takeover bid.

5. DEFENSIVE MEASURES

No defensive measures were adopted that require payments or the assumption of costs by the Company in the event of a change of control or a change in the composition of the Board of Directors and that are likely to impair the free transfer of shares and the free assessment by the shareholders of the performance of the Board members, or that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

6. SHAREHOLDERS AGREEMENTS KNOWN TO THE COMPANY

Pursuant to the communication regarding the qualifying holding received by the Company on 2nd January 2012,

the same was informed of a shareholders agreement concerning the exercise of voting rights, on the following terms:

"It is further informed that, in accordance with the terms of number 2 of article 21, paragraphs b) and c) of the Portuguese Securities Code, Sociedade Francisco Manuel dos Santos, SGPS, S.A. controls Sociedade Francisco Manuel dos Santos B.V., since it may exercise the corresponding voting rights under a shareholders agreement.

In accordance with the terms of article 20 of the Portuguese Securities Code, especially paragraph b) of its number 1, under the above mentioned shareholders agreement, the corresponding voting rights of the Jerónimo Martins, SGPS, S.A. shares, object of the purchase and sale above mentioned, remain attributed to Sociedade Francisco Manuel dos Santos, SGPS, S.A."

The Company however does not know of any restrictions concerning the transfer of securities or voting rights.



SUBSECTION II SHAREHOLDINGS AND BONDS HELD

7. SHAREHOLDERS WITH QUALIFYING HOLDINGS

The holders of Qualifying Holdings, calculated in accordance with the terms of paragraph 1 of Article 20 of the Portuguese Securities Code, based on the total number of shares under the terms of section b), paragraph 3 of Article 16 of the Portuguese Securities Code, as at 31st December 2015, are identified in the table below.

List of Qualifying Holdings as at 31st December 2015*

(Pursuant to paragraph 4 of Article 448 of the Commercial Companies Code and in sub-paragraph b) of paragraph 1 of Article 8 of the Portuguese Securities Code Regulations no. 5/2008.)

Shareholder	No. of Shares Held	% Capital	No. of Voting Rights	% of Voting Rights *
Sociedade Francisco Manuel dos Santos, SGPS, S.A. Through Sociedade Francisco Manuel dos Santos, B.V.	353,260,814	56.136%	353,260,814	56.136%
Aberdeen Asset Managers Limited Directly	31,482,477	5.003%	31,482,477	5.003%
Heerema Holding Company Inc. Through Asteck, S.A.	31,464,750	5.000%	31,464,750	5.000%
BNP Paribas Investment Partners, Limited Company Through Investment Funds managed by BNP Paribas	13,536,757	2.151%	12,604,860	2.006%

Source: Last communications made by the shareholders with qualifying holdings to Jerónimo Martins, SGPS, S.A. up to the said date.

8. NUMBER OF SHARES AND BONDS HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

(Pursuant to paragraph 5 of Article 447 of the Commercial Companies Code)

The Board of Directors

Members of the Board of Directors	Held on 31.12.2014		Increases during the year		Decreases during the year		Held on 31.12.2015	
	Shares	Bonds	Shares	Bonds	Shares	Bonds	Shares	Bonds
Pedro Manuel de Castro Soares dos Santos	274,805	-	-	-	-	-	274,805	-
Alan Johnson	30,075	-	-	-	-	-	30,075	-
Andrzej Szlezak	-	-	-	-	-	-	-	-
António Pedro de Carvalho Viana-Baptista	-	-	-	-	-	-	-	-
Artur Stefan Kirsten ¹	n.a.	-	-	-	-	-	-	-
Belonging to company in which is a Director (sec. d), § 2 of Article 447 Commercial Companies Code) ²	n.a.	-	-	-	-	-	353,260,814	-
Clara Christina Streit ¹	n.a.	-	-	-	-	-	800	-
Francisco Manuel Seixas da Costa	-	-	-	-	-	-	-	-
Hans Eggerstedt	19,700	-	-	-	-	-	19,700	-
Henrique Manuel da Silveira e Castro Soares dos Santos ¹	n.a.	-	-	-	-	-	26,455 ³	-
José Manuel da Silveira e Castro Soares dos Santos ⁴	20,509	-	-	-	-	-	n.a.	-
Belonging to company in which is a Director (sec. d), § 2 of Article 447 Commercial Companies Code) ²	353,260,814	-	-	-	-	-	n.a.	-
Nicolaas Pronk	-	-	-	-	-	-	-	-
Belonging to company in which is a Director (sec. d), § 2 of Article 447 Commercial Companies Code) ⁵	31,464,750	-	-	-	-	-	31,464,750	-
Sérgio Tavares Rebelo	-	-	-	-	-	-	-	-

¹ Appointed on 9th April 2015 to the Board of Directors.

² Sociedade Francisco Manuel dos Santos, B.V.; See Point 20.

³ Of which 1,500 shares held by spouse.

⁴ Ceased his duties as Director on 9th April 2015.

⁵ Asteck, S.A.; See Point 20.



Statutory Auditor

As at 31st December 2015, the Statutory Auditor PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. did not hold any shares or bonds of Jerónimo Martins, SGPS, S.A. and did not make any transactions, during 2015, with Jerónimo Martins, SGPS, S.A. securities.

9. SPECIAL POWERS OF THE BOARD OF DIRECTORS, ESPECIALLY IN RELATION TO DELIBERATIONS ON CAPITAL INCREASES

Any capital increase is subject to prior deliberation by the General Shareholders' Meeting.

10. SIGNIFICANT BUSINESS RELATIONSHIPS BETWEEN THE HOLDERS OF QUALIFYING HOLDINGS AND THE COMPANY

Pursuant to the policy that has been followed by the Company in this area, no business was carried out by the Company with the owners of Qualifying Holdings or entities in any type of relationship with the owners of such holdings, outside of normal market conditions.

There are no significant business relationships between holders of Qualifying Holdings and the Company.

SECTION B CORPORATE BODIES AND COMMITTEES

SUBSECTION I GENERAL SHAREHOLDERS' MEETING

A. COMPOSITION OF THE PRESIDING BOARD OF THE GENERAL SHAREHOLDERS' MEETING

11. DETAILS AND POSITION OF THE MEMBERS OF THE PRESIDING BOARD OF THE GENERAL SHAREHOLDERS' MEETING

On 10th April 2013 João Vieira de Castro and Tiago Ferreira de Lemos were appointed as Chairman and Secretary of the General Shareholders' Meeting respectively, for the term of office that expired on 31st December 2015. On 17th December 2013 the Company was informed of the resignation of the Chairman of the General Shareholders' Meeting.

Subsequently to said resignation, Abel Bernardino Teixeira Mesquita was elected Chairman of the General Shareholders' Meeting on 10th April 2014, for the remainder of the term in force.

B. EXERCISING THE RIGHT TO VOTE

12. RESTRICTIONS ON THE RIGHT TO VOTE

The Company and its Board of Directors particularly value the principles of free transferability of shares and assessment by shareholders of the performance of members of the Board of Directors.

As such Article Twenty Four of the Articles of Association of the Company establishes the rule that each share has the right to one vote.

Accordingly, the Company has not established mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each ordinary share, particularly no special rights for shareholders or restraints on the exercise of voting rights are provided for in the Company's Articles of Association, nor is there any special rule in the Articles of Association regarding systems whereby the financial rights attached to securities are separated from the holding of securities.

Attending the General Shareholders' Meeting is not subject to holding a minimum number of shares.

According to Article Twenty-Six of the Articles of Association of the Company, the General Shareholders' Meeting may take place upon the first convocation, as long as more than 50% of the Company's capital is present or represented.

Participation in the General Shareholders' Meeting

Under the provisions of the Portuguese Securities Code and Article Twenty-Three of the Articles of Association, the shareholders that meet the following conditions can participate and vote at the General Shareholders' Meeting:

- i. On the record date, corresponding to 00:00 (GMT) of the fifth trading day prior to the General Shareholders' Meeting, they held shares of the Company entitling them to at least one vote;
- ii. By the end of the day prior to the day of the record date, they had stated in writing, to the Chairman of the General Shareholders' Meeting and to the respective financial intermediary, their intention to participate in the meeting;
- iii. By the end of the day of the record date, the respective financial intermediary has sent to the Chairman of the General Shareholders' Meeting information on the number of shares registered under that shareholder name on the record date.

Postal Vote

According to paragraph three of Article Twenty-Five of the Articles of Association, postal votes are allowed. Pursuant to the Articles of Association, postal votes count for the formation of a constitutive quorum for the General Shareholders' Meeting and it is the responsibility of the Chairman of the Board of the General Shareholders' Meeting or his substitute to verify their authenticity and full compliance with the procedures, as well as to assure confidentiality when a vote is submitted. In the event that a shareholder or a shareholders' representative is present at the General Shareholders' Meeting, the postal vote that was issued is revoked.

Postal votes count as negative votes in relation to deliberative proposals presented subsequent to the date on which those votes were issued.

The Company has provided a form to exercise the right to vote by post on its web page.

As the Company's Articles of Association do not state anything on this matter, the Company has established a deadline of 48 hours prior to the General Shareholders' Meeting for receipt of postal votes, thus complying with and, to a certain extent, exceeding the recommendations of the CMVM on this matter.

Vote by Electronic Means

The Company, also recognising that using new technologies encourages shareholders to exercise their right to vote, has adopted, since 2006, adequate mechanisms so that they may vote electronically in General Shareholders' Meetings. Thus, shareholders must state their intent to exercise their right to vote electronically to the Chairman of the Board of the General Shareholders' Meeting at the Company's Head Office or using the Jerónimo Martins website at www.jeronimomartins.pt/. In that expression of interest, shareholders must indicate the address of the financial intermediary with whom the securities are registered, to which a registered letter will be subsequently sent containing the electronic address to be used to vote and an identification code to use in the electronic mail message by which the shareholder exercises its right to vote.

13. MAXIMUM PERCENTAGE OF VOTING RIGHTS THAT MAY BE EXERCISED BY A SINGLE SHAREHOLDER OR BY SHAREHOLDERS THAT ARE IN ANY RELATIONSHIP AS SET OUT IN NO. 1 OF ARTICLE 20 OF THE PORTUGUESE SECURITY CODE

The Company has not established rules stating that voting rights over a certain number are not counted, when issued by a single shareholder or shareholders related to him.



The Board of Directors is composed of Non-Executive Directors, in particular Independent Directors who possess a wide range of technical skills, contact networks and connections with national and international bodies, who therefore enrich and optimise the Company's management.

14. SHAREHOLDERS' RESOLUTIONS THAT, IMPOSED BY THE ARTICLES OF ASSOCIATION, MAY ONLY BE TAKEN WITH A QUALIFIED MAJORITY, IN ADDITION TO THOSE LEGALLY PROVIDED

There is no special rule in the Articles of Association regarding deliberative quorums.

SUBSECTION II MANAGEMENT AND SUPERVISION

A. COMPOSITION

15. CORPORATE GOVERNANCE MODEL ADOPTED

The Company has adopted the anglo-saxon governance model which corresponds to the option foreseen in subparagraph b) of Article 278 of the Commercial Companies Code. According to this model the management and supervision of the Company are organized through a Board of Directors, which includes the Audit Committee and a Statutory Auditor.

16. ARTICLES OF ASSOCIATION RULES ON THE PROCEDURAL REQUIREMENTS GOVERNING THE APPOINTMENT AND REPLACEMENT OF MEMBERS OF THE BOARD OF DIRECTORS AND OF THE SUPERVISORY BOARD

The first Article of the Regulations of the Company's Board of Directors foresees that the composition of this body will be decided in the General Shareholders' Meeting, pursuant to the terms indicated in paragraph one of Article Twelve of the Articles of Association, and that it will be presided over by the respective Chairman, chosen by the General Shareholders' Meeting.

Paragraph number three of Article nine of the same Regulations prescribes that in the event of death, resignation or impediment, whether temporary or definitive, of any of its members, the Board of Directors will agree on a substitute. If the appointment does not occur within 60 days of the absence of the Director, the Audit Committee will be responsible for appointing the substitute.

According to Article one of the respective Regulations and Article Nineteen of the Articles of Association, the Audit Committee is composed of three members of the Board of Directors, one of whom will be its Chairman. The members of the Audit Committee are appointed simultaneously with the members of the Board of Directors and the lists of proposed members of the latter body must indicate those that are intended to form the Audit Committee. The members of the Audit Committee cannot perform executive roles in the Company.

There is no specific regulatory provision regarding the appointment and replacement of members of the Audit Committee, being applicable only what is set forth in law.

17. COMPOSITION OF THE BOARD OF DIRECTORS

According to the Articles of Associations, the Board of Directors is comprised of a minimum of seven and a maximum of eleven members, elected by the General Shareholders' Meeting for three year terms. Currently, the Board of Directors has eleven effective members and there are no substitute members:

Pedro Manuel de Castro Soares dos Santos

- Chairman of the Board of Directors since 18th December 2013
- CEO
- First appointment on 31st March 1995
- Expiry of the term of office on 31st December 2015

Alan Johnson

- Non-Executive Director
- First appointment on 30th March 2012
- Expiry of the term of office on 31st December 2015

Andrzej Szlezak

- Non-Executive Director
- First appointment on 10th April 2013
- Expiry of the term of office on 31st December 2015

António Pedro de Carvalho Viana-Baptista

- Independent Non-Executive Director
- First appointment on 9th April 2010
- Expiry of the term of office on 31st December 2015

Francisco Manuel Seixas da Costa

- Independent Non-Executive Director
- First appointment on 10th April 2013
- Expiry of the term of office on 31st December 2015

Hans Eggerstedt

- Non-Executive Director
- First appointment on 29th June 2001
- Expiry of the term of office on 31st December 2015

José Manuel da Silveira e Castro Soares dos Santos

- Director with special tasks (see Point 18)
- First appointment on 31st March 1995
- Expiry of the term of office on 9th April 2015

Nicolaas Pronk

- Non-Executive Director
- First appointment on 30th March 2007
- Expiry of the term of office on 31st December 2015

Sérgio Tavares Rebelo

- Independent Non-Executive Director
- First appointment on 10th April 2013
- Expiry of the term of office on 31st December 2015

Henrique Manuel da Silveira e Castro Soares dos Santos

- Non-Executive Director
- First appointment on 9th April 2015
- Expiry of the term of office on 31st December 2015

Clara Christina Streit

- Independent Non-Executive Director
- First appointment on 9th April 2015
- Expiry of the term of office on 31st December 2015

Artur Stefan Kirsten

- Non-Executive Director
- First appointment on April 2010 (term of office expired on February 2011)
- New appointment on 9th April 2015. Expiry of the term of office on 31st December 2015

With regard to changes in the composition of the Board of Directors throughout 2015, it is to note the resignation from the position of member of the Board of Directors by José Manuel da Silveira e Castro Soares dos Santos, by letter dated of 3rd March 2015 which became effective on 9th April 2015.

In the General Shareholders' Meeting held on 9th April 2015, it was decided to increase the number of members of the Board of Directors in the current term of office and, additionally, to replace José Manuel da Silveira e Castro Soares dos Santos as Member of the Board of Directors until the end of the current term of office. Therefore, in this General Shareholders' Meeting were appointed as Members of the Board of Directors until the end of the current term of office Henrique Manuel da Silveira e Castro Soares dos Santos, Clara Christina Streit and Artur Stefan Kirsten.

18. DISTINCTION BETWEEN EXECUTIVE AND NON-EXECUTIVE DIRECTORS, AND IDENTIFICATION OF INDEPENDENT DIRECTORS AMONG NON-EXECUTIVE DIRECTORS

The Company seeks a balance in the composition of the Board of Directors through the integration of Non-Executive Directors and Independent Directors alongside the Executive Director, in the scope of a delegation of duties, the respective discrimination of which being referred in point 17, above. The distinctive criterium used by the Company coincides with that of the EU Commission's Recommendation 2005/162/EC, of 15th February 2005, being considered as Executive Director any member who is engaged in the daily management of the Company and, *a contrario sensu*, Non-Executive Directors are those who are not engaged in the daily management. However, according to understanding expressed by the CMVM, the existence of a special task would allow to qualify a Director as Executive Director.

The Board of Directors is therefore composed of Non-Executive Directors, in particular Independent Directors who possess a wide range of technical skills, contact networks and connections with national and international bodies, who therefore enrich and optimise the Company's management in terms of creating value and ensuring adequate protection of the interests of all its shareholders, thereby ensuring

effective monitoring, supervision and assessment of the activity of the remaining members of the Board of Directors.

In accordance with the principles by which the Company is run, although all Board Members are accountable to all shareholders equally, the independence of the Board of Directors in relation to the shareholders is further reinforced by the existence of Independent Board Members.

Pursuant to the 2013 CMVM's Recommendations on Corporate Governance, hereafter referred to as "2013 CMVM's Recommendations", considering the provision of recommendation II.1.7, which establishes the independence criteria to be used in the evaluation made by the Board of Directors, Francisco Seixas da Costa, Clara Christina Streit, António Viana-Baptista, Sérgio Rebelo and Hans Eggerstedt qualify as Independent Directors. The latter three Directors are also members of the Audit Committee and therefore they are subject further to the independence criteria indicated in paragraph 5 of Article 414 of the Commercial Companies Code. According to these criteria Director Hans Eggerstedt cannot be regarded as independent. Each of the members of the Audit Committee also complies with the rules of incompatibility laid down in paragraph 1 of Article 414-A of the Commercial Companies Code, except that provided for in sub-paragraph b).

Having passed the number of Independent Directors to four, in accordance to the criteria above mentioned, out of a total of eleven Directors, the Company complies with recommendation II.1.7. (2013 CMVM's Recommendations), also in the part where it establishes that Non-Executive Directors shall include an appropriate number of independent members (*in casu*, more than one third).

19. PROFESSIONAL QUALIFICATIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Pedro Soares dos Santos is a Portuguese national and joined the Operating Division of Pingo Doce in 1983. In 1985, he joined the Sales and Marketing Department of Iglo/Unilever and, five years later, assumed the post of Assistant Director of Recheio Operations. In 1995, he was named General Manager of the Company. Between 1999 and 2000 he accepted responsibility for operations in Poland and in Brazil. In 2001, he also assumed responsibility for the operations area for Food Distribution in Portugal. He has been a Director of Jerónimo Martins, SGPS, S.A. since 31st March 1995, Chief Executive Officer since 9th April 2010 and Chairman of the Board of Directors of the Company since 18th December 2013.

José Soares dos Santos is a Portuguese national and holds a Degree in Biology from Universidade Clássica de Lisboa, joined Svea Lab AB in Sweden in 1985, before going to work for the URL Colworth Laboratory in March 1987.

In 1988, he joined the Human Resources Department of FimaVG – Distribuição de Produtos Alimentares, Lda. and in 1990 he was named Product Manager. Between 1992 and 1995 he worked for Brooke Bond Foods. He was a Director of Jerónimo Martins SGPS, S.A. between 31st March 1995 and 29th June 2001 and was reappointed on 15th April 2004 up to 9th April 2015.

Alan Johnson is a British national, with a degree in Finance & Accounting obtained in the UK. He joined Unilever in 1976, where he made his professional career occupying various financial positions in several countries such as United Kingdom, Brazil, Nigeria, France, Belgium, the Netherlands and Italy. Amongst other positions, he was Senior Vice President Strategy & Finance for Europe, Senior Vice President Finance & IT and CFO of Unilever Foods Division worldwide. Until March 2011, he was Chief Audit Executive based in Rotterdam. He was a member of the Market Oversight Committee of the Chartered Association of Certified Accountants between 2007 and 2013 and has been a member of the Professional Accountants in Business Committee of the International Federation of Accountants based in New York since 2011. In January 2012, he joined the Jerónimo Martins Group as Chief Financial Officer, being Director of Jerónimo Martins, SGPS, S.A. since 30th March 2012.

Hans Eggerstedt is a German national, with a degree in Economics from the University of Hamburg. He joined Unilever in 1964, where he has spent his entire

career. Among other positions, he was Director of Retail Operations, Ice Cream and Frozen Foods in Germany, President and CEO of Unilever Turkey, Regional Director for Central and Eastern Europe, Financial Director and Information and Technology Director of Unilever. He was nominated to the Board of Directors of Unilever N.V. and Unilever PLC in 1985, a position he held until 1999. Between 2003 and 2012 he was a Non-Executive Director of the COLT Telekom Group S.A. from Luxembourg. He has been Non-Executive Director of Jerónimo Martins, SGPS, S.A. since 29th June 2001.

Andrzej Szlezak is a Polish national and has a Master degree in English philology and in law from Adam Mickiewicz University in Poznan, Poland. In 1981, he passed the judicial exam and in 1994, he was admitted to the Chamber of Legal Advisors (Poznan Chapter). In 1979 he started his academic career at said university where he was awarded his doctorate and post-doctorate degrees in Law ("Habilitated Doctor") in 1985 and in 1992, respectively. In 1994, he was awarded a professorship at Adam Mickiewicz University (Law School), which he held until 1996. At present, he is a professor at Warsaw School of Social Sciences and Humanities. In 1991, he joined the law firm of Soltysinski, Kawecki & Szlezak ("SK&S") where he became Partner in 1993 and Senior Partner in 1996. During his practice at SK&S he has provided legal advice in numerous privatization and restructuring transactions in many sectors of Polish economy (mostly in M&A, corporate and greenfield projects). Since 1999, he has been an

arbitrator of the Arbitration Court at the Polish Chamber of Commerce (KIG) in Warsaw, being at the moment Deputy Chairman of the Arbitration Board of this Court. He has also been appointed an arbitrator in several proceedings (national and international) before the ICC International Court of Arbitration in Paris and in ad hoc proceedings conducted according to the UNCITRAL Arbitration Rules. He is also the author of several publications, including foreign-language publications, in the fields of civil, commercial and arbitration law. He has been a Non-Executive Director of the Company since 10th April 2013.

António Viana-Baptista is a Portuguese national and holds a Degree in Economics from Universidade Católica Portuguesa (1980), has a postgraduate diploma in European Economics from Universidade Católica Portuguesa (1981) and an MBA from INSEAD (Fontainebleau, 1983). Between 1985 and 1991 he was Principal Partner of McKinsey & Co. in the Madrid and Lisbon offices. He held the post of Director in the Banco Português de Investimento between 1991 and 1998. From 1998 to 2002 he was Chairman and CEO of Telefónica International. From 2002 to 2006 he was Chairman and CEO of Telefónica Móviles S.A. From 2006 to 2008 he was Chairman and CEO of Telefónica España. Between 2000 and 2008 he was a Non-Executive Director of the Board of Directors of Portugal Telecom. Since 2011, he is CEO of Crédit Suisse AG for Spain and Portugal. He has been Non-Executive Director of the Company since 9th April 2010.



Francisco Seixas da Costa is a Portuguese national and has a degree in Political and Social Sciences from the Universidade Técnica of Lisbon. He started his diplomatic career in 1975 as a diplomat in the Portuguese Ministry of Foreign Affairs. Between 1995 and 2001, he was Secretary of State for European Affairs, where he had several official functions, amongst others, Portuguese chief negotiator of the EU Amsterdam treaty from 1995 to 1997, Portuguese coordinator for the negotiation of the EU financial framework from 1997 to 1999 and President of the Council of Ministers of the EU Internal Market in 2000. From 2001 until 2002 he was Ambassador, Permanent Representative to the United Nations in New York and, from 2002 until 2004, he was Ambassador, Permanent Representative to the Organization for Security and Cooperation in Europe (OSCE) in Vienna. Between 2004 and 2008 he was Ambassador to Brazil, in Brasília and between 2009 and 2013 he was Ambassador to France and Permanent Representative to UNESCO (since 2012) in Paris. Since 2013 he has been member of the Consultative Council of Fundação Calouste Gulbenkian and member of the Strategic Council of Mota-Engil, SGPS, S.A. He has been a Non-Executive Director of the Company since 10th April 2013.

Nicolaas Pronk is a Dutch national and has a degree in Finance, Auditing and Information Technology. Between 1981 and 1989 he worked for KPMG in the Financial Audit area for Dutch and foreign companies. In 1989 he joined the Heerema Group, created the Internal Audit

Department, and since then has performed various functions within the Group, having been responsible for various acquisitions and disinvestments and defining Corporate Governance. Since 1999 he has been the Financial Director of the Heerema Group, including responsibility for the areas of Finance, Treasury, Corporate Governance, Insurance and Taxation, reporting to that Group's President. He has been a Non-Executive Director of the Company since 30th March 2007.

Sérgio Tavares Rebelo is a Portuguese national and has a degree in Economy from Universidade Católica Portuguesa. He also has a M.Sc. in Operations Research from Instituto Superior Técnico of Lisbon, as well as a M.A. and a Ph.D. in Economy from University of Rochester. He began his academic career as an instructor at Universidade Católica Portuguesa in 1981. In 1988 he joined Northwestern University as Assistant Professor of Finance and became Associated Professor of Finance in 1991. Between 1992 and 1997 he was Associated Professor of the Department of Economics of the University of Rochester and since 1997 he has been Tokai Bank Distinguished Professor of International Finance, Kellogg School of Management, of Northwestern University. Since 1982, he has published numerous Articles and books on economics and finance. He has been a member of the Advisory Council to the Global Markets Institute at Goldman Sachs since April 2012 and was appointed Non-Executive Director of Integrated DNA Technologies as from September 2015. He has been Non-Executive Director of the Company since 10th April 2013.

Henrique Soares dos Santos is a Portuguese national and holds a Degree in Management by Instituto Superior de Gestão and is an Alumni of INSEAD. He began his career in 1993 as Management Accountant Trainee at Fima - Produtos Alimentares S.A. and one year later was Assistant of the Management Accounting Director. He served as Budget Controller of Jerónimo Martins, SGPS, S.A. between 1996 and 1997, the year he started serving as Treasury Manager of Eurocash Sp z.o.o in Poland until 1998. The following year he was appointed Financial Controller of Jerónimo Martins Retail Activity Polska Sp z.o.o. In 2001, he served as Deputy Group Controller and in the same year he was appointed Chief of Staff to the Chairman of the Board of Directors, a position he held until 2002. He last served as both Company Secretary and Chief Information Security Officer of Jerónimo Martins, SGPS, S.A. He is a Member of the Board of Directors of Jerónimo Martins - Serviços, S.A., of Sindcom - Investimentos, Participações e Gestão, S.A., as well as of Nesfia - Sociedade Imobiliária, S.A. and of Waterventures - Consultoria, Projectos e Investimentos, S.A. He has been Non-Executive Director of the Company since 9th April 2015.

Clara Christina Streit is both a US and German citizen and holds a Master's Degree in Business Administration from the University of St. Gallen, Switzerland. She serves as an Associate Professor at the Nova and Católica Lisbon Universities and independent Non-Executive Director of several European corporations. She began her career as a Consultant at McKinsey & Company where she retired

as Senior Partner in 2012, after more than 20 years of experience as an advisor to financial institutions. She serves as a Director of Bank Vontobel AG since 2011 where she is also a member of the Nomination and Compensation Committee. Since 2013, she has been a member of the Supervisory Board and chairs the Nomination Committee of the Dutch insurance company Delta Lloyd N.V. She also chairs the Finance Committee of the German real estate company Vonovia SE (former "Deutsche Annington SE"). From May 2015, she is a Member of the Board of Directors, of the Internal Controls, Risks and Corporate Governance and of HR & Nomination Committees at Unicredit S.p.A, Milan. She has been Non-Executive Director of the Company since 9th April 2015.

Artur Stefan Kirsten is a German national and took his master degree in Business Economics and Informatics from 1981 to 1986 at the FernUniversität Hagen and Georg-August-Universität Göttingen. In 1991 he has taken his Doctorate Degree followed later by the Stanford Executive Program with the Graduate School of Business of Stanford University in California. Since 1995 he has been teaching at different universities in Germany and abroad. Dr. Kirsten has been appointed

to a professorship with the Westfaelische University in Gelsenkirchen since 2001. He serves as the Chief Financial Officer of Vonovia SE (former "Deutsche Annington SE") where he has been a member of the Management Board since 1st January 2011. He was member of the Board of Directors of the Company from April 2010 to February 2011 and he is currently a Board member at Sociedade Francisco Manuel dos Santos BV. His previous positions were as Chief Executive Officer (CEO) of Majid Al Futtaiim Group LLC, a real estate development company focusing mainly on property, retail and ventures in the Emirates, and Chief Financial Officer (CFO) of Metro AG and ThyssenKrupp AG in Germany. He has been Non-Executive Director of the Company since 9th April 2015.

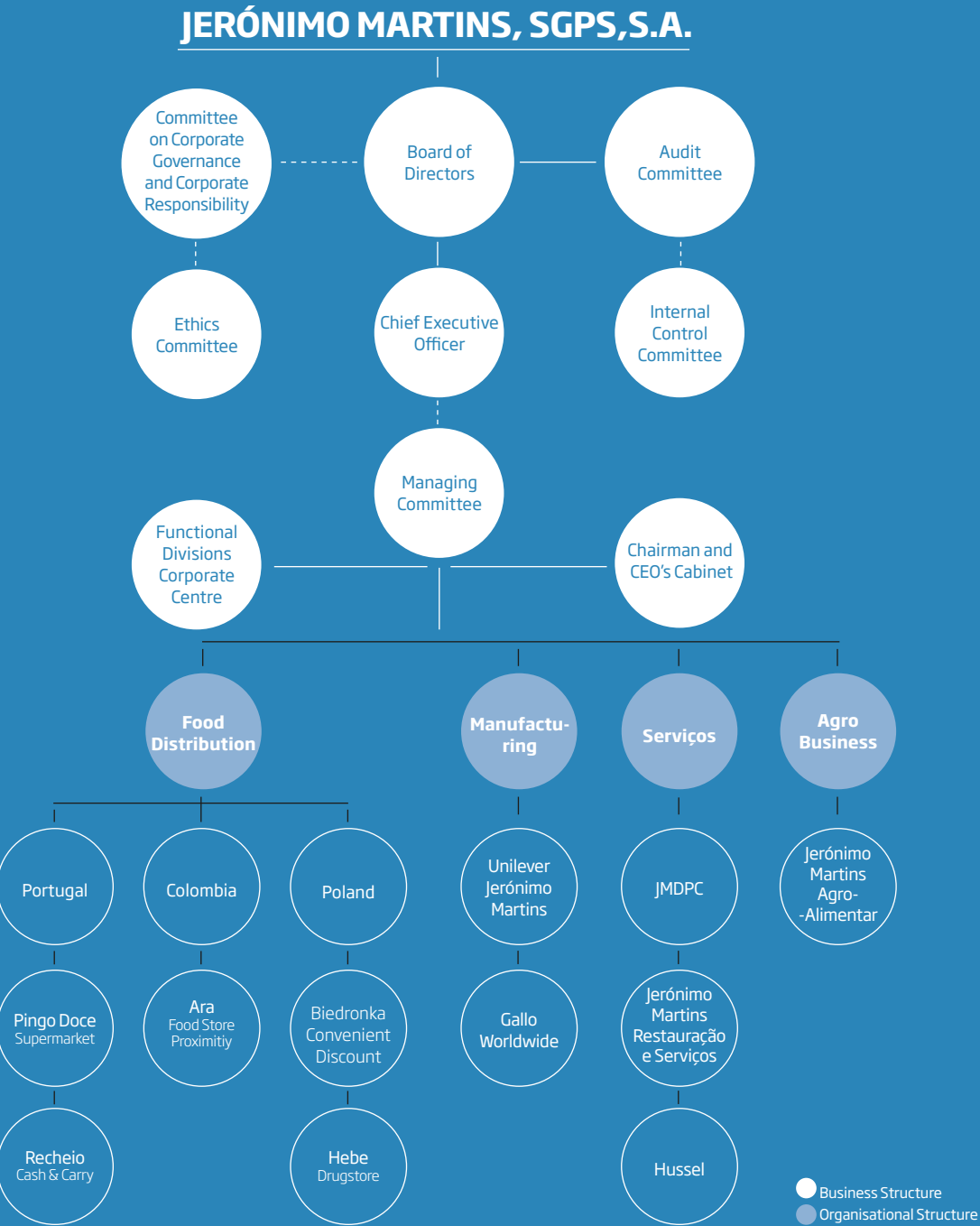
20. CUSTOMARY AND SIGNIFICANT RELATIONSHIPS OF THE MEMBERS OF THE BOARD WITH SHAREHOLDERS WITH QUALIFYING HOLDINGS

Member of the Board of Directors	Type of Relationship	Shareholder with Qualifying Holding
José Soares dos Santos ¹	Director	Sociedade Francisco Manuel dos Santos, SGPS, S.A.
	Director	Sociedade Francisco Manuel dos Santos, B.V.
Artur Stefan Kirsten	Director	Sociedade Francisco Manuel dos Santos, B.V.
Nicolaas Pronk	Director	Asteck, S.A.

¹ Expiry of the term of office on 9th April 2015.



21. ORGANISATIONAL CHARTS DELEGATION OF POWERS AND DIVISION OF RESPONSIBILITIES



Chairman of the Board of Directors

The Chairman of the Board of Directors, according to the Board of Directors' Regulations, in addition to the institutional representation of the Company, has the special responsibility of managing the respective meetings, for monitoring the action taken on the decisions made by this body, for taking part in the meetings of other committees set up by the Board of Directors and for defining the overall strategy of the Company.

Delegation of Powers, Coordination of Non-Executive Directors and Special Duties

The Board of Directors, by resolution, delegated various duties regarding the day-to-day management of the Company on one Chief Executive Officer who, in the terms of such delegation, is entitled:

- a. To manage all corporate businesses and perform all operations relating to its corporate objectives, included in the scope of its current role as a holding company;
- b. To represent the company, in court or otherwise, to propose and answer to any lawsuits or engage in any arbitrations, for which purpose it may designate proxies, as well as compromise in, confess or withdraw from any such lawsuits or arbitrations;
- c. To decide on loans or other financial operations to be contracted from the financial market at home or abroad, as well as on the issuance of debt securities within the

powers of the Board of Directors and to accept the supervision of the lending entities, all these up to the amount of 50,000,000 (fifty million) euros and in full compliance with that prescribed in the Articles of Association of the Company;

- d. To decide on the provision of technical and financial support, including through the granting of loans by the Company to companies whose stakes or shares the former holds in total or in part;
- e. To decide on the sale/transfer or lease (as lessor) any movable or immovable assets, including shares, units, quotas and bonds and in general to decide on any divestments up to the amount of 50,000,000 (fifty million) euros or, independently of such threshold, whenever such divestment is set out in the Medium or Long Term Plans, as defined below, approved by the Board of Directors;
- f. To decide on the acquisition or lease (as lessee) of any movable or immovable assets, including shares, units, quotas and bonds and in general to decide on any investments up to the amount of 50,000,000 (fifty million) euros or, independently of such threshold, whenever such investment is set out in the Medium and Long Term Plans, as defined below, approved by the Board of Directors;
- g. To appoint the individuals to be proposed to the General Shareholders' Meeting from the companies referred to in sub-paragraph d) above, to fill the roles of the respective corporate bodies, indicating those who will fulfil executive functions;

- h. To approve policies and rules transverse to the Companies of the Group, such as procedure manuals, regulations and service instructions, maxime, those concerning (i) Human Resources, (ii) Operational Control, (iii) Food Safety and Quality Control and (iv) Reporting and Investments;
- i. To approve the expansion plans with respect to the activities of each of the business areas, as well as Group Companies forming part of the Group but not included in the business areas;
- j. To approve the organic structure for the Group's companies;
- k. To decide on the instructions to be given by the Company to the management of its subsidiary Companies with respect to those matters referred to herein, pursuant to and in compliance with the applicable laws.

For the purpose of the delegation of powers, it is considered as being foreseen in the Medium and Long Term Plans (which are considered to be the activity and investment plans and financial projections on a three-year term), the acquisitions, sales, investments or divestments, the amount of which does not exceed by more than 10% each heading contained in those Plans.

In 2015, the Managing Committee remained in office as the consultative body which, as referred in point 29, has the primary goal of assisting the Chief Executive Officer in the duties delegated by the Board, in relation

to the daily management of the businesses within the corporate purpose of the Company.

Nevertheless, pursuant to the terms of its Internal Regulation, the Board of Directors retains authority over strategic matters of management of the Group, in particular those regarding the definition of general policies of the Company and the corporate structure of the Group and those that, due to their importance and special nature, may significantly impact on the business activity of the Group.

The matters referred to in Article 407(4) of the Commercial Companies Code are off-limits to the Chief Executive Officer.

Apart from the powers on strategic matters of management of the Group, the Board of Directors has effective control on directing corporate activities by always seeking to be duly informed and by ensuring the supervision of the Company's management, having implemented mechanisms that ensure such supervision.

To this end, at each Board of Directors meeting the Chief Executive Officer reports on the Company activity since the last meeting and provides any further clarification that the Non-Executive Directors may require. All information requested by the Non-Executive Directors in 2015 was provided in full and in a timely manner by the Chief Executive Officer.

Additionally, considering that the Chief Executive Officer is, simultaneously, Chairman of the Board of Directors, it was approved by decision of the said Board, a mechanism for coordinating the activities of Non-Executive Directors, complying with Recommendation II.1.10 of CMVM's Recommendations 2013.

Such mechanism foresees that the members of the Board of Directors who are not part of an Executive Committee or are not Executive Directors are responsible, pursuant to the terms of Article 407, paragraph 8 of the Commercial Companies Code, for monitoring the activity of the Executive Committee or the Executive Directors, as the case may be, as well as for the damages caused by their acts or omissions when, having knowledge of such acts or the intent to commit them, they do not seek the intervention of the Board of Directors to take the necessary measures.

The monitoring and supervising activity is also carried out by Non Executive Directors through their participation in specialized committees and working groups set up by the Company as well as in the corporate bodies of subsidiary companies.

Still on the terms of such mechanism, the Executive Directors or the Chairman of the Executive Committee, as applicable, as well as Directors charged with a special duty, pursuant to the terms of Article 407,

paragraphs 1 and 2 of the Commercial Companies Code, shall:

- a) whenever necessary, disclose to Non-Executive directors all the relevant information regarding the performance of the delegated powers or the special duty conferred upon them;
- b) answer, within a reasonable deadline, to any information request presented by any Non-Executive Director, within their respective functions, and such information shall also be made available to the remainder members of the Board of Directors.

It is foreseen in the said Mechanism that Non-Executive Directors may also meet in *ad hoc* meetings, convened at the request of any two of them by the Company's Secretary (who shall inform the Chairman of the Board of Directors about the summons), pursuant to the terms foreseen in the Board of Directors Regulations.

In order to allow for an independent and informed participation of Non-Executive Directors in the meetings of the Board of Directors or in the meetings of the specialised committees and working groups set up by the Company, as well as in the corporate bodies of subsidiary companies they integrate, the mentioned mechanism foresees that the Company's Secretary shall make available to them the definitive agenda of the meeting and respective preliminary

documentation, pursuant to the terms and within the deadlines foreseen in the Board of Directors Regulation.

The Company's Secretary shall also ensure, according to the mechanism implemented, the delivery to the Directors, who so request, of a copy of the minutes of the meetings of the Managing Committee as well as a copy of any other minutes of the meetings of corporate bodies or specialised committees within the Board of Directors. Moreover, the Company's Secretary shall, within its duties, provide Directors with all information regarding the resolutions of the Board of Directors or Executive Committee or the decisions of the Executive Directors.

Pursuant to Article 407 (1) of the Commercial Companies Code, the Board of Directors had allocated to Director José Manuel da Silveira e Castro Soares dos Santos the special task of monitoring of the activities of the joint venture Unilever Jerónimo Martins, of the activities of Jerónimo Martins - Distribuição de Produtos de Consumo, Lda. and the activities of Jerónimo Martins - Restauração e Serviços, S.A., having such special task ceased with the cessation of functions of the said Director on 9th April 2015.

Organisational Structure and Division of Responsibilities

Jerónimo Martins SGPS, S.A. is the Holding Company of the Group and, as such, is responsible for the main guidelines

for the various business areas, as well as for ensuring consistency between the established objectives and available resources.

The Holding Company's services include a set of Functional Divisions which provide support for Corporate Centre and services to the Operating Areas of the Group's Companies, in the different geographical areas in which they operate.

In operational terms, Jerónimo Martins is organised into four business segments: i. Food Distribution; ii. Manufacturing; iii. Marketing Services, Representations and Restaurant Services; and iv. Agro Business. The first area is organised into Geographical Areas and Operating Areas.

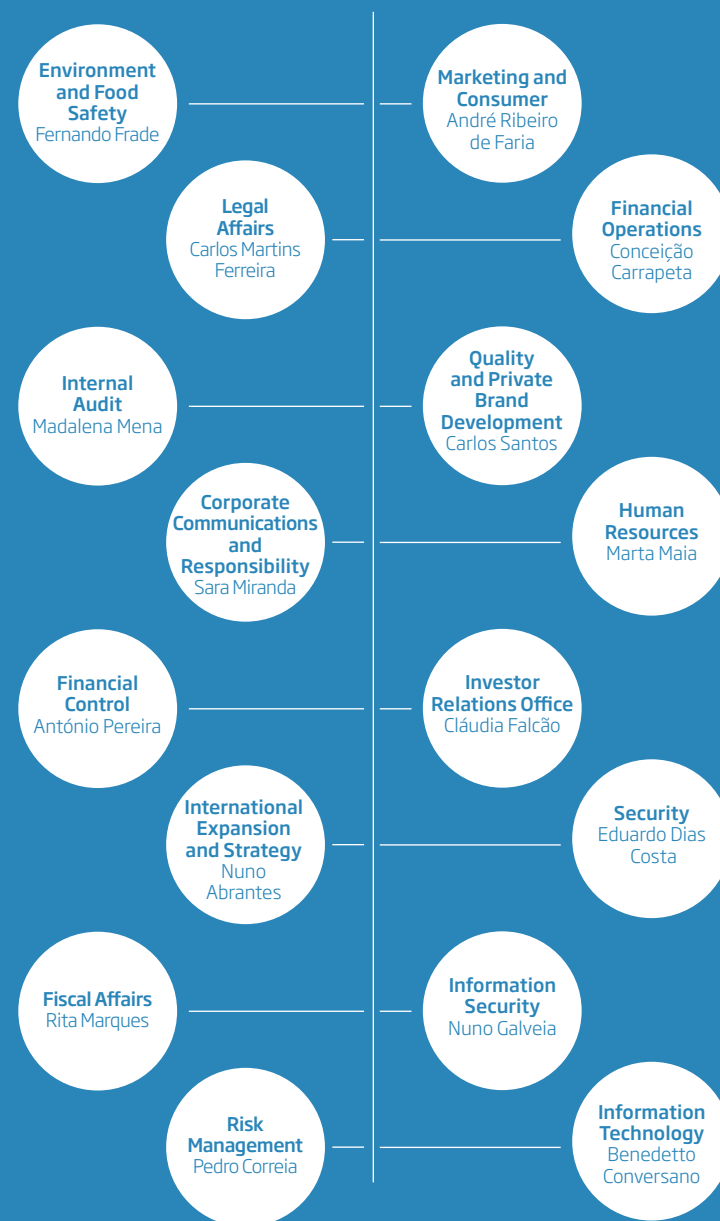
Holding Company Functional Divisions

The Holding Company is responsible for: i. defining and implementing the development strategy of the Group's portfolio; ii. strategic planning and control of the various businesses and consistency with the global objectives; iii. defining and controlling financial policies; and iv. defining Human Resources Policy, with direct responsibility for implementing the Management Development Policy.

The Holding Company's Functional Divisions are organised as follows:

JERÓNIMO MARTINS GROUP

Functional Divisions of Corporate Support



Environment and Food Safety – Responsible for defining the strategy, policies and procedures to be implemented within the areas under its responsibility across all the countries where the Jerónimo Martins Group is present.

Concerning the environment, Jerónimo Martins has defined the principle of establishing strategies, processes, projects, goals and targets, as part of the value chain, in order to minimise the direct and indirect impacts caused by its operations, especially those linked to the consumption of energy and water, to ensure the proper use of materials, to implement correct waste management and to protect biodiversity. The main actions implemented in 2015 and the results obtained can be found in the Chapter IV of the Annual Report.

A crucial activity at Jerónimo Martins is Food Safety. The respective information component was strengthened through communications with our customers published in various media and through different ways of informing the consumer on how to keep the food freshness until the moment of consumption.

Legal Affairs – Ensures ongoing legal assistance to the Company, preparing contracts, opinions and studies, assisting the Board of Directors in decision making, implementing risk planning policies and giving support to other functional divisions. It also ensures the

necessary coordination between the legal departments of subsidiaries in the different jurisdictions in which they operate.

In 2015, this Department continued to focus on monitoring the evolution of the corporate rules and recommendations in the Group's various reorganisation operations and on supporting the Board of Directors and other functional divisions in the project of internationalisation of the Group, among other matters.

It also had an important role regarding the prevention of legal disputes, through legal counselling and internal training.

Internal Audit – Assesses the quality and effectiveness of the internal control and risk management systems (both operational and non-operational) that are set by the Board of Directors, ensuring their compliance with the Group's procedures, as well as with procedures laid out in the Operations Manual of each business unit, ensuring compliance with the legislation and regulations applicable to the respective operations.

This Department reports hierarchically to the Chairman of the Board of Directors and functionally to the Audit Committee. The activities carried out by this Functional Division are referred in point 50.

Corporate Communications and Responsibility Department – It is responsible for the strategic management of the Jerónimo Martins brand, by enhancing relations with the various non-financial stakeholders and promoting and strengthening the integration of environmental, social and ethical issues in the value chain, preserving and developing the Group's reputation capital. It acts as an agent of inter-departmental integration, promoting the alignment of messages and practices with the values and strategic goals of the Group.

In 2015, this Department organised the conference "Sustainability in the Supply Chain" that aimed at sensitising the senior management of the Group and some selected business partners to environmental and social issues along the value chain. For the first time, some suppliers have joined the debate by sharing with an audience of around 200 people their sustainable investment cases and practices.

It implemented an internal training model on the brand's reputation management which encompasses aspects including the Group's External Communication Policy or reputation risk, threats and crisis management. The identification of spokespeople for the brand and their respective training is also part of this Department's mission.

As the manager of the Jerónimo Martins' LinkedIn page, in partnership with Human Resources, this Department

activated this channel also as a way to convey messages that are associated to the values of the brand, in general, and as a benchmark employer, in particular, having surpassed the 50,000 followers mark on this social network.

Financial Control - Responsible for providing financial information to support decision-making by the Company's Corporate Bodies. It encompasses the areas of Consolidation, Accounting, Financial Planning and Control.

The Consolidation and Accounting area prepares consolidated financial information in order to comply with statutory and legal obligations and supports the Board of Directors by implementing and monitoring the policies and the accounting principles adopted by the Group.

It also supervises the financial reporting of the different Group Companies to ensure that it conforms to the standards, supporting the Companies in the accounting assessment of non-recurrent transactions, as well as restructuring and expansion operations.

The area of Planning and Control coordinates and supports the process for creating the Jerónimo Martins Strategic Plans, which are used as a basis for strategic decision-making by the Corporate Governance bodies.

It has a control function, monitoring the performance of the different business units of the Group and investigating any deviations from the plans. It thus provides the Managing Committee of Jerónimo Martins with relevant information and proposals to guarantee corrective measures that allow the defined strategic objectives to be achieved.

It also makes a financial assessment of all investment projects that are relevant for the Group, providing support to the Managing Committee for its approval and subsequent follow-up.

In 2015, it focused its activity on the implementation of supporting structures to the Agro Business project, on the monitoring of the performance of the business units and on supporting the development of the medium and long-term strategic plans of the Group.

International Expansion and Strategy - Responsible for prospecting and analysing opportunities to develop the Group's business portfolio and for leading and participating in projects of a strategic nature.

With regard to the development of the business portfolio, it holds the responsibility to search for, analyse and evaluate opportunities for the Group to expand and increase its value, focusing its activity on markets and businesses that can support the development of new and relevant business units for the Jerónimo Martins portfolio.

With regard to strategic projects, it holds the responsibility to lead or support both corporate group-wide projects and strategic projects that are specific to the Group Companies.

During 2015, it led and supported several strategic projects across the Group's geographies, and continued to develop prospects for expansion in new markets and businesses.

Fiscal Affairs - Provides all of the Group's Companies with assistance in tax matters, ensuring compliance with legislation in force and in the optimisation of the business units' management activities from a tax perspective. It also manages the Group's tax disputes and its relations with external consultants and lawyers, as well as with Tax Authorities.

In 2015, this Functional Division monitored the various international developments and the OECD's presentation of proposed actions on the Base Erosion and Profit Shifting (BEPS), and through the associations that represent the sector it ensured the defense of the Group's interests, whether collaborating on the clarification and implementation of new legislation or in the public debate of legislative projects. This Department also participated actively in the procedures which allow the Group, through its activities in the scope of the applicable regimes, to obtain tax benefits.

Risk Management - Responsible for implementing the Group's risk management policies and procedures, as well as for providing the necessary support to the Governance Bodies of the Company in identifying any risks that might compromise the strategy defined by the Group, as well as its business objectives.

The activities carried out in the area of Risk Management are described in points 52 to 55 of this Report.

Marketing and Consumer Office - It is responsible for Marketing's strategic vision according to a consumer centric perspective with special focus on the Digital area.

It is this area's priority to understand thoroughly the clients so that the same are provided with an always improving experience in each of the Group's brands. For this are used tools and methodologies in consumer Data and Insights that enable the establishment of a relevant interaction and a better experience in all contact points.

In 2015, this Department produced a strategic vision for digital in the Group, prioritising key activities. Additionally it supported the companies in several Marketing, Communication and Digital activities.

Financial Operations - This Department includes Financial Risk Management as well as Treasury

Management. The activity of the first area is discussed in detail in points 52 to 55.

Treasury Management is responsible for managing relations with the financial institutions that already have or intend to have in the future a business relationship with Jerónimo Martins in terms of financing, ensuring that these entities fulfil the defined criteria, and also ensuring that the best possible conditions may be obtained at all times. It also executes treasury planning with the aim of negotiating and implementing, for all the Group's Companies, the most suitable financial sources according to its cash flow generation profile. It is also this area's responsibility to elaborate and to ensure the execution of the treasury budget that is based on the activity plans of the Group's Companies.

A large part of the treasury activities of Jerónimo Martins is centralized in the Holding Company, which is a structure that provides services to all other Companies of the Group. In compliance with the above-described activities, during 2015 new debt was issued to finance the investments in Poland and in Colombia.

Quality and Private Brand Development -

Responsible for defining, planning, implementing and controlling the policies, procedures, methodologies and rules in the various countries where Jerónimo Martins operates, ensuring the use of the best and most up-to-date practices in this area.

In 2015, the main activities carried out focused on: i. increasing the control of products and suppliers mainly in Poland and in Colombia; ii. continuing with the improvement process for Private Brands by reformulating existing products with a big focus in Poland; iii. first launches of products dedicated to consumers with special needs in Poland, mainly gluten-free and lactose-free products; iv. upgrading and using the IT tool QMS Projects in Portugal to support the development of new products; v. use of IT tool QMS Suppliers in Poland and in Colombia; vi. QMS Recall IT tool implementation in Poland and Colombia; vii. Quality and Food Safety certifications maintenance; viii. systematizing the implemented changes on the new products development procedure in Poland; ix. finalizing the "Non-Food Products Corporate Guidelines" document applicable to our Private Brands.

Human Resources - Founded on the culture and values of Jerónimo Martins, this Corporate area is responsible for defining and implementing the strategy and global policies of Human Resources with regard to the main pillars of Human Resource Management - Recruitment, Training, Development, Compensation and Benefits - promoting its compliance, safeguarding the uniqueness of the different geographical areas in which the Group operates and the individual nature of the different companies.

The activities that this Functional Division carried out in 2015 can be found in detail in Chapter V, Section 8 – Being a Benchmark Employer.

Investor Relations Office - Responsible for the communication with investors – whether current shareholders or not, institutional and private, national and foreign – as well as with the analysts who formulate opinions and recommendations regarding Jerónimo Martins' share price. It is also the responsibility of this Department to co-ordinate all matters related to the Portuguese financial markets regulator (CMVM).

The activities carried out by this Functional Department can be found in detail in points 56 and 58.

Security - This area defines and controls procedures in terms of protecting the security of the Group's people and assets, intervening whenever there are thefts and robberies, fraud and other illegal and/or violent activities perpetrated in the facilities or against employees of the Group.

Information Security - Responsible for implementing and maintaining an information security management system which ensures the confidentiality, integrity and availability of information in all Group Companies, as well as assuring recovery of systems in the event of any disruption to the operations.

Information Security Officers (ISO) in each country, who report to this Department, ensure local compliance with applicable Information Security Policies and Standards and provide assistance to the respective business and support areas.

In 2015, Information Security assessed and mitigated information risks in the Group's information systems, including in the new Agro Business area. The Mobile Device Security Policy, applicable to all Group companies, was reviewed to improve protection of information handled on these devices.

Information Technology - Responsible for defining and implementing the Global Information Technology strategy for the Group, for promoting technology-based innovation and for aligning IT systems, policies and processes.

IT also has the responsibility to create the conditions for the businesses to achieve their goals, by providing IT services that enable to implement and support the solutions required by the processes of the organisation, from infrastructure to applications.

Of the work carried out in 2015, the following should be highlighted: i. the definition of the strategic plan of the Group for the coming years, in line with the ambition for its businesses; ii. the redesign of a Disaster Recovery infrastructure; iii. the start-up of the operation in the second region in Colombia.

In addition, major progress was made towards the definition of a Global Project Portfolio, which includes strengthening the infrastructure back-end and towards a reinforced digital agenda.

Operational Areas

The organisational structure of Jerónimo Martins is aimed mainly at ensuring specialisation in the Group's various businesses by creating geographical areas and operational areas, thus guaranteeing the required proximity to the different markets.

The Food Distribution business is divided into geographical areas - Portugal, Poland and Colombia - and within those countries then further divided into operational areas. In Portugal there are two operational areas: Pingo Doce (Supermarkets and Hypermarkets) and Recheio (Cash & Carry), which encompasses the Foodservice division through Caterplus. In Poland there are also two operational areas: Biedronka (food stores) and Hebe (drugstores) that includes Apteka Na Zdrowie (pharmacies). In Colombia one area: Ara (food stores).

In the Manufacturing segment, Jerónimo Martins operates in partnership with Unilever through the company Unilever Jerónimo Martins, Lda., which conducts the businesses of the Food, Personal and Home Care products and Ice Creams, and through the company Gallo Worldwide, Lda. which produces and sells olive oil and cooking oils.



Within the Group's portfolio there is also a business segment devoted to Marketing Services, Representations and Restaurant Services, which includes: i. Jerónimo Martins Distribuição de Produtos de Consumo, which represents major international brands of food products and premium cosmetic brands in Portugal; ii. Hussel, a retail chain specialised in chocolates and confectionary; and iii. Jerónimo Martins Restauração e Serviços, which owns the chain of Jeronymo coffee shops and Olá ice cream parlors.

In 2015, the Group implemented the first investments in the Agro Business area, starting its activity in the areas of dairy products and beef, with a special focus in the protection and differentiation of the supply chain from the operations of Food Distribution.

B. FUNCTIONING

22. AVAILABILITY AND PLACE WHERE RULES ON THE FUNCTIONING OF THE BOARD OF DIRECTORS MAY BE VIEWED

The Regulation of the Board of Directors is available on the Company's website, through the link mentioned in point 61 ("Relevant Addresses").

23. THE NUMBER OF MEETINGS HELD AND ATTENDANCE

The Board of Directors, whose duties are described in Article Thirteen of the Company's Articles of Association,

meets at least four times a year and any of its members may be represented at the Board Meetings by another member, by means of a letter addressed to the Chairman.

During 2015, the Board of Directors met seven times. The respective minutes were prepared for all meetings.

The Directors who have not personally attended Board Meetings have, in general, appointed another Board Member to represent them as statutorily provided, with the attendance of each Director to the referred meetings during the exercise of respective duties as follows:

Pedro Soares dos Santos	86%
Alan Johnson	100%
Andrzej Szlezak	100%
António Viana-Baptista	86%
Francisco Seixas da Costa	100%
Hans Eggerstedt	100%
José Soares dos Santos	100%
Nicolaas Pronk*	71%
Sérgio Rebelo*	57%
Henrique Soares dos Santos**	100%
Clara Streit* and **	80%
Artur Stefan Kirsten* and **	80%

* In every meeting not attended, the Director in question issued a representation letter, according to the Company's by-laws.

** Only the meetings of the Board of Directors held after 9th April 2015, date of the respective appointment as Director, were taken into account.

24. PERFORMANCE APPRAISAL OF EXECUTIVE DIRECTORS

The assessment of performance of Executive Directors is made by the Remuneration Committee, elected by the General Shareholders' Meeting (see points 66 *et seq.*).

The Remuneration Committee is in charge of, in the scope of the Remuneration Policy, assessing the individual and collective performance of Executive Directors, evaluate their influence and impact in Jerónimo Martins' businesses and assessing their alignment with the medium and long-term interests of the Company.

As referred below (see point 27) currently there are no committees composed exclusively by Directors. Notwithstanding such fact, the performance of Executive Directors who are part of mixed Committees (i.e. also composed of Non-directors) is evaluated by the Remuneration Committee, in the terms referred above.

25. PREDEFINED CRITERIA FOR ASSESSING EXECUTIVE DIRECTORS' PERFORMANCE

The predefined criteria for assessing Executive Directors' performance arise from that established in the Remuneration Policy described in point 69.

26. POSITIONS THAT THE MEMBERS OF THE BOARD OF DIRECTORS HOLD IN OTHER COMPANIES, AND RESPECTIVE AVAILABILITY

Throughout the said year, the members of the Board of Directors held positions in other companies, namely:

Pedro Soares dos Santos

- Director of Jerónimo Martins Serviços, S.A.*
- Director of Jerónimo Martins Polska, S.A.*
- Director of Jerónimo Martins Drogerie i Farmacja Sp. z o.o.*
- Director of Jerónimo Martins Colombia, SAS*
- Director of Recheio, SGPS, S.A.*
- Director of Funchalgest – Sociedade Gestora de Participações Sociais, S.A.*
- Director of JMR – Gestão de Empresas de Retalho, SGPS, S.A.*
- Director of Jerónimo Martins – Agro-Alimentar, S.A.*
- Director of Quinta da Parreira – Exploração Agrícola, S.A. until 7 December 2015
- Manager of Jerónimo Martins – Distribuição de Produtos de Consumo, Lda.*
- Manager of Servicompra, SGPS, Lda.* until 11 August 2015
- Chairman of the Supervisory Board of Warta – Retail & Services Investments B.V.*

José Soares dos Santos (until 9th April 2015)

- Director of Jerónimo Martins Serviços, S.A.*
- Director of Victor Guedes Indústria e Comércio, S.A.**

- Director of FIMA Olá – Produtos Alimentares, S.A. **
- Director of Jerónimo Martins – Restauração e Serviços, S.A.*
- Director of Sociedade Imobiliária da Matinha, S.A.
- Director of Sociedade Francisco Manuel dos Santos, SGPS, S.A.
- Director of Sociedade Francisco Manuel dos Santos, B.V.
- Director of SFMS – Imobiliária, S.A.
- Director of Fundação Francisco Manuel dos Santos
- Member of the Supervisory Board of Warta – Retail & Services Investments B.V.*
- Manager of Unilever Jerónimo Martins, Lda.**
- Manager of Gallo Worldwide, Lda.**
- Manager of Jerónimo Martins – Distribuição de Produtos de Consumo, Lda.*
- Manager of Transportadora Central do Infante, Lda.**

Alan Johnson

- Does not hold any position in other companies

Hans Eggerstedt

- Member of the Board of Directors of Arica B.V.
- Member of the Advisory Board of the Amsterdam Institute of Finance (The Netherlands)
- Member of the Supervisory Board of Warta – Retail & Services Investments B.V.*

Andrzej Szlezak

- Chairman of the Supervisory Board of Agora, S.A.
- Member of the Supervisory Board of Warta – Retail & Services Investments B.V.*

António Viana-Baptista

- CEO of Crédit Suisse AG for Spain and Portugal
- Member of the Board of Directors of Semapa, SGPS, S.A.
- Member of the Board of Directors of Arica B.V.
- Member of the Board of Directors of Jasper Wireless Inc.

Francisco Seixas da Costa

- Member of the Consultative Board of Faculdade de Economia da Universidade de Coimbra
- Member of the Consultative Board of Faculdade de Ciências Sociais e Humanas da Universidade Nova de Lisboa
- President of the Consultative Board of Fundação Calouste Gulbenkian
- Member of the Strategic Committee of Mota-Engil, S.A.
- Member of the Board of Directors (Non-Executive) of Mota-Engil Africa, N.V.
- Member of the Supervisory Board of Warta – Retail & Services Investments B.V.*

Nicolaas Pronk

- Member of the Board of Directors of Antillian Holding Company N.V.
- Member of the Board of Directors of Aquamondo Insurance N.V.
- Member of the Board of Directors of Asteck S.A.
- Member of the Board of Directors of Cellotek Finance Luxembourg S.à.r.l.
- Member of the Board of Directors of Cellotek Holding (Luxembourg) S.A.



- Member of the Board of Directors of Epcote S.A.
- Member of the Board of Directors of Heavy Transport Group, Inc.
- Member of the Board of Directors of Heavy Transport Holding Denmark ApS
- Member of the Board of Directors of Heerema Engineering & Project Services, Inc.
- Member of the Board of Directors of Heerema Engineering and Project Services (Luxembourg) S.à.r.l.
- Member of the Board of Directors of Heerema Engineering Holding (Luxembourg) S.A.
- Member of the Board of Directors of Heerema Fabrication Finance (Luxembourg) S.A.
- Member of the Board of Directors of Heerema Fabrication Holding S.E.
- Member of the Board of Directors of Heerema Group Services S.A.
- Member of the Board of Directors of Heerema Holding Services (Antilles) N.V.
- Member of the Board of Directors of Heerema International Group Services Holding S.A.
- Member of the Board of Directors of Heerema International Group Services S.A.
- Member of the Board of Directors of Heerema Marine Contractors Finance (Luxembourg) S.A.
- Member of the Board of Directors of Heerema Marine Contractors Holding, S.E.
- Member of the Board of Directors of Heerema Transport Finance (Luxembourg) S.à.r.l.

- Member of the Board of Directors of Heerema Transport Finance II (Luxembourg) S.A.
- Member of the Supervisory Board of Spyker N.V.

Sérgio Tavares Rebelo

- Member of the Advisory Council to the Global Markets Institute at Goldman Sachs
- Member of the Board of Directors (Non-Executive) of Integrated DNA Technologies, Inc.

Henrique Soares dos Santos

- Director of Nesfia – Sociedade Imobiliária, S.A.
- Director of Jerónimo Martins - Serviços, S.A.*
- Director of Sindcom – Investimentos, Participações e Gestão, S.A.
- Director of Waterventures – Consultoria, Projectos e Investimentos, S.A.

Clara Christina Streit

- Member of the Board of Directors (Non-Executive) of Vontobel Holding AG, Vontobel Bank AG (Zurique)
- Member of the Supervisory Board of Delta Lloyd N.V.
- Member of the Supervisory Board of Vonovia SE
- Member of the Board of Directors (Non-Executive) of Unicredit SpA

Artur Stefan Kirsten

- Member of the Executive Committee and Chief Financial Officer of Vonovia SE

- Member of the Supervisory Board of AVW Versicherungsmakler GmbH
- Member of the Management Board of Sociedade Francisco Manuel dos Santos, B.V.

The positions held by the members of the Board in other companies did not affect their availability to take part in the Company's affairs, as demonstrated in the attendance report mentioned in point 23.

C. COMMITTEES WITHIN THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

27. DETAILS OF THE COMMITTEES CREATED WITHIN THE BOARD OF DIRECTORS

Currently there are no committees in the Company composed exclusively by Directors, without prejudice to the Audit Committee to which is made reference to in points 30 to 33, being the Regulation of the Audit Committee available on the Company's website, through the link mentioned in point 61 ("Relevant Addresses").

However, some committees were created in the Company, composed by Directors and by other individuals who are not Directors, analysed in point 29.

* Companies that are part of the Group.

** Companies that integrate the Unilever Jerónimo Martins joint venture.

28. DETAILS OF THE CHIEF EXECUTIVE OFFICER

The Board of Directors appointed a Chief Executive Officer responsible for implementing the strategic decisions taken by the Board, in accordance with the delegated powers, and a Managing Committee responsible for assisting the Chief Executive Officer in the duties delegated to that officer by the Board of Directors.

The role of Chief Executive Officer is performed by Pedro Soares dos Santos.

29. DESCRIPTION OF THE POWERS OF EACH OF THE COMMITTEES ESTABLISHED AND A SUMMARY OF ACTIVITIES UNDERTAKEN

Managing Committee

The Managing Committee of the Company, which has the same term of office as that of the Board of Directors that appointed it, is composed of the Chief Executive Officer, Pedro Soares dos Santos, who is the Chair, Javier van Engelen (the Group's Chief Financial Officer), Pedro Pereira da Silva (who resigned on 31st December 2015), Marta Lopes Maia, Nuno Abrantes, Sara Miranda and Carlos Martins Ferreira. In accordance with its regulations, the Managing Committee is responsible for advising the CEO, within the respective delegation of powers, in carrying out the following functions:

- Control over the implementation by the Companies in the Group of the strategic guidelines and policies defined by the Board of Directors;
- Financial and accounting control of the Group and of the companies that are a part thereof;
- Senior coordination of the operational activities of the different Companies in the Group, whether integrated or not in business areas;
- Launching of new businesses and monitoring them until they are implemented and integrated in the respective business areas;
- Implementation of the management policy of Human Resources defined for the top-level management of the entire Group.

In 2015, the Managing Committee met 18 times, drawing up minutes of the meetings, which were sent to the Chairman of the Board of Directors and to the Company Secretary.

Committee on Corporate Governance and Corporate Responsibility (CCGCR)

CCGCR is made up of a minimum of three and a maximum of nine Members, who are not required to be Directors, appointed by the Board of Directors. One of the members will be the Chairman.

The Board of Directors decided to appoint the current Chairman of the Board of Directors, Pedro Soares dos Santos, as Chairman of CCGCR, with the other members

of the Committee being Andrzej Szlezak, Francisco Sá Carneiro, Francisco Seixas da Costa, Henrique Soares dos Santos, J. J. Gomes Canotilho, José Soares dos Santos, Ludo van der Heyden and Sara Miranda.

In carrying out its mission, the CCGCR collaborates with the Board of Directors, assessing and submitting to it proposals for strategic orientation in the area of Corporate Responsibility, as well as monitoring and supervising on a permanent basis matters concerning: i. corporate governance, social responsibility, the environment and ethics; ii. the business sustainability of the Group; iii. internal codes of ethics and of conduct; and iv. systems of assessment and resolution of conflicts of interest, especially regarding relations between the Company and its shareholders or other stakeholders.

Especially on what concerns company governance, CCGCR has the duty to keep up, review and assess the appropriateness of the Company's model of governance and its consistency with the recommendations, patterns and national and international best practices on company governance, addressing the Board of Directors the recommendations and proposing any changes deemed adequate.

Ethics Committee

The Ethics Committee of Jerónimo Martins is composed of three to five members appointed by the Board of Directors, based on a proposal from the Committee on Corporate



Governance and Corporate Responsibility. Currently it is composed by Susana Correia de Campos, Agata Wojcik-Ryszawa and Helena Morais. The mission of the Ethics Committee is to provide independent supervision of the disclosure and compliance with the Group's Code of Conduct in all the Companies of the Group.

The duties of the Ethics Committee include: i. establishing the channels of communication with the addressees of the Jerónimo Martins Group Code of Conduct and gathering such information as may be addressed to it in this connection; ii. ensuring the existence of an adequate system of internal control of compliance with the Jerónimo Martins Group Code of Conduct and with the appraisal of the recommendations stemming from such control; iii. appraising such issues as may be submitted to it by the Board of Directors, by the Audit Committee or by the CCGCR within the scope of compliance with Code of Conduct and with analysing in abstract those that may be raised by any employee, customer or business partner (stakeholders); iv. proposing to the CCGCR the adoption of such measures as it may deem fit in this connection, including a review of internal procedures and alterations to the Jerónimo Martins Group Code of Conduct; and v. drawing up an annual report on its activities to be presented to the Committee on Corporate Governance and Corporate Responsibility.

The Ethics Committee reports functionally to the CCGCR, which has responsibilities in the fields of corporate governance, social responsibility, environment and ethics,

including those related to the internal codes of ethics and of conduct, having met twice in 2015.

Internal Control Committee

The Internal Control Committee (ICC), appointed by the Board of Directors and reporting to the Audit Committee, is specifically responsible for evaluating the quality and reliability of the internal control system and the process of preparing financial statements, as well as for evaluating the quality of the monitoring process in force in Jerónimo Martins' Companies, with a view to ensuring compliance with the laws and regulations to which they are subject. In performing this latter task, the ICC must obtain regular information on the legal and fiscal contingencies that affect the Companies of the Group.

The ICC meets monthly, as a general rule, and is composed of a Chairman (Alan Johnson) and four members (David Duarte, José Gomes Miguel, Madalena Mena and Henrique Soares dos Santos). None of the members is an Executive Director of the Company.

In 2015, the ICC met 11 times, having continued its activities of supervision and evaluation of risks and critical processes, analysing the reports prepared by the Internal Audit Department. As a representative of the External Audit team is invited to attend these meetings, the Committee is also informed of the conclusions of the external audit work that takes place during the year.

SUBSECTION III SUPERVISION

A. COMPOSITION

30. DETAILS OF THE SUPERVISORY BOARD

The supervisory board of the Company is the Audit Committee, consequence of the anglo-saxon governance model adopted.

In addition to the responsibilities conferred by law, the Audit Committee, in performing its activities, is responsible in for the following:

- Monitoring the preparation and disclosure of financial information;
- Monitoring the effectiveness of internal control systems, internal auditing and risk management. For this purpose, they may work with the ICC, which shall report to them regularly on their work, pointing out situations that should be analysed by the Audit Committee;
- Evaluating the external audit on a regular basis;
- Approving activity plans in the area of risk management and following up on their execution, proceeding with the assessment of the recommendations resulting from the audit actions and the revisions of the procedures undertaken;
- Looking after the existence of an adequate internal risk management system for the companies of which

Jerónimo Martins is holder of shares or quotas, ensuring full compliance with its objectives;

- Approving internal audit activity programmes, which respective Department functionally reports to it, as well as of the external audit;
- Selecting, as proposed by the Managing Committee, the service provider for the external audit;
- Monitoring the legal accounts audit services;
- Assessing and monitoring the independence of the Statutory Auditor, especially when it performs additional services for the Company;
- Issuing prior opinion on transactions of significant importance between the Company and its shareholders with qualifying holdings – or entities with them related under the terms of Article 20, no. 1 of the Portuguese Securities Code –, establishing the procedures and criteria necessary to define the level of significant importance.

The Audit Committee, for the adequate performance of its duties, requests and appraises all the management information deemed necessary. In addition it has unrestricted access to the documentation produced by the auditors of the Company, having the possibility to request any information from them it deems necessary and being the first recipient of the final reports prepared by the external auditors.

During the previous year, the Audit Committee paid particular attention to the financial risk management

and to the analysis of the reports and corrective measures proposed by Internal Audit.

31. COMPOSITION OF THE AUDIT COMMITTEE

According to the Articles of Association, the Audit Committee is comprised of three members of the Board of Directors, elected by the General Shareholders' Meeting to terms of three years. Currently, the Audit Committee has no substitute members.

Currently, the Audit Committee is composed of:

Hans Eggerstedt

- Chairman of the Audit Committee
- First appointment on 29th June 2001
- Expiry of the term of office on 31st December 2015

Sérgio Tavares Rebelo

- First appointment on 10th April 2013
- Expiry of the term of office on 31st December 2015

António Viana-Baptista

- First appointment on 9th April 2010
- Expiry of the term of office on 31st December 2015

32. DETAILS OF THE INDEPENDENT MEMBERS OF THE AUDIT COMMITTEE

Each member of the Audit Committee complies with the rules of incompatibility laid down in paragraph 1

of Article 414-A of the Commercial Companies Code, except that provided for in sub-paragraph b). Except for its Chairman, the other two members further comply with the independence criteria foreseen in paragraph 5 of Article 414 of the Commercial Companies Code.

33. PROFESSIONAL QUALIFICATIONS OF THE MEMBERS OF THE AUDIT COMMITTEE

The professional qualifications of the members of the Audit Committee are those described on point 19 ("Professional Qualifications of the Members of the Board of Directors").

Additionally, reference should be made to the fact that the vast experience of the members of the Committee in corporate body positions, as well as to their special technical merit in this particular matter, have created particular added value for the Company.

The Chairman of the Audit Committee, Hans Eggerstedt, is internationally recognised as one of the best managers of his generation, having worked, over the course of his long career, in positions of great responsibility in various countries. His solid academic training and professional experience in areas of management and control ensure he has the special skills to chair the Company's supervisory body.

B. FUNCTIONING

34. AVAILABILITY AND PLACE WHERE THE RULES ON THE FUNCTIONING OF THE AUDIT COMMITTEE REGULATION MAY BE VIEWED

The Regulation of the Audit Committee is available on the Company's website, through the link mentioned in point 61 ("Relevant Addresses").

35. NUMBER OF MEETINGS HELD AND ATTENDANCE OF EACH MEMBER OF THE AUDIT COMMITTEE

The Audit Committee meets, at least, once every three months and is responsible for supervising Company management, carrying out the duties attributed by law and by Article Twenty of the Articles of Association.

During 2015, the Audit Committee met five times and all meetings were duly minuted.

The attendance of each Director at the meetings during the exercise of the respective duties, measured in terms of personal attendance, was as follows:

Hans Eggerstedt	100%
António Viana-Baptista	100%
Sérgio Rebelo	100%

36. POSITIONS THAT THE MEMBERS OF THE AUDIT COMMITTEE HOLD IN OTHER COMPANIES, AND RESPECTIVE AVAILABILITY

Members of the Audit Committee have always been available for the Company's affairs during 2015, having participated in the same when it was necessary or when they considered to be necessary.

The positions held by the members of the Audit Committee in other companies are described in point 26 ("Positions that the Members of the Board of Directors Hold in Other Companies").

C. POWERS AND DUTIES

37. DESCRIPTION OF THE PROCEDURES AND CRITERIA APPLICABLE TO THE AUDIT COMMITTEE FOR THE PURPOSES OF HIRING ADDITIONAL SERVICES FROM THE EXTERNAL AUDITOR

With respect to the provision of non-audit services by the Auditor, in 2011 the Audit Committee established the rules concerning the provision of consultancy services by the

External Auditor. These rules determine: i. the possibility of contracting those services, if the auditor's independence is assured; and ii. the obligation to obtain prior approval of the Committee, from the moment the global amount of fees related to these type of services in that year surpasses 10% of the global amount of fees concerning audit services.

The Audit Committee considered that the provision of non-audit services up to the said amount of 10% is not capable of compromising auditor's independence. Furthermore, the Committee considered this solution as the most appropriate to the Group's geographical multi-location and to the specific needs of its subsidiaries set up in other jurisdictions.

Finally, it should also be noted that, taking into account the Audit Committee's role of evaluating and supervising the Statutory Auditor and External Auditor, when it carries out its annual assessment on the independence of these entities, as well as on the possibility of maintaining or the need to change the external audit service provider, the Audit Committee is compelled to check if there are reasons requiring the justified dismissal of either of these entities. Should they believe that there is a due cause for this purpose, it is the Audit Committee's responsibility, in the case of the Statutory Auditor propose such dismissal to the General Shareholders' Meeting, within the terms provided for in Article 419 of the Commercial Companies Code and, consequently, as the role of the External Auditor is carried out by the same entity, to propose

the termination of the respective auditing service contract to the Company's Board of Directors.

38. OTHER DUTIES OF THE AUDIT COMMITTEE

The duties of the Audit Committee are described in point 30.

SUBSECTION IV STATUTORY AUDITOR

39. DETAILS OF THE STATUTORY AUDITOR AND THE PARTNER THAT REPRESENTS THE SAME

The Company's Statutory Auditor is PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda., Chartered Accountant No. 183, registered at the CMVM (Portuguese Securities Market Commission) under no. 9077, represented by José Pereira Alves, Chartered Accountant no. 711 or by António Joaquim Brochado Correia, Chartered Accountant no. 1076.

40. NUMBER OF YEARS THAT THE STATUTORY AUDITOR CONSECUTIVELY CARRIES OUT DUTIES WITH THE COMPANY

The Company's Statutory Auditor carries out duties with the Company for 27 years.

The Statutory Auditor was nominated for the first time during 2005, however, for calculating the said

number of years, was taking into account the period in which other statutory auditors, members of the PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. network, carried out that role at Jerónimo Martins.

41. DESCRIPTION OF OTHER SERVICES THAT THE STATUTORY AUDITOR PROVIDES TO THE COMPANY

The Statutory Auditor also carries out the role of the Company's External Auditor, as mentioned in point 42. In point 46 is made reference to other services carried out by the Statutory Auditor for the Company.

SUBSECTION V EXTERNAL AUDITOR

42. DETAILS OF THE EXTERNAL AUDITOR AND THE PARTNER THAT REPRESENTS THE SAME IN CARRYING OUT THESE DUTIES

The External Auditor is PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda., Chartered Accountant No. 183, registered at the CMVM (Portuguese Securities Market Commission) under no. 9077, represented by José Pereira Alves, Chartered Accountant no. 711 or by António Joaquim Brochado Correia, Chartered Accountant no. 1076.

During 2015 the External Auditor monitored the efficiency and functioning of the internal control mechanisms, taking part in the meetings of the Internal Control Committee, reporting any deficiencies identified in the exercise of its activity, as well as making the necessary recommendations regarding the procedures and mechanisms that were analysed.

The External Auditor was able to verify the implementation of the remuneration policies and systems by reviewing the minutes of the Remuneration Committee's meetings, the remuneration policy in force and other accounting and financial information that is essential for that purpose.

43. NUMBER OF YEARS THAT THE EXTERNAL AUDITOR AND RESPECTIVE PARTNER THAT REPRESENTS THE SAME IN CARRYING OUT THESE DUTIES CONSECUTIVELY CARRIES OUT DUTIES WITH THE COMPANY

PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. has been carrying out the role of External Auditor to the Company for 27 years, taking into account, in calculating the said number of years, the period in which other statutory auditors, members of the PricewaterhouseCoopers & Associados, Sociedade de Revisores Oficiais de Contas, Lda. network carried out that role at Jerónimo Martins.



The partner that represents the External Auditor has been carrying out that role for the Company since 9th January 2014.

44. ROTATION POLICY AND SCHEDULE OF THE EXTERNAL AUDITOR AND THE RESPECTIVE PARTNER THAT REPRESENTS SAID AUDITOR IN CARRYING OUT SUCH DUTIES

With regard to the rotation of the External Auditor, the Company has not set any external auditor rotation policy based on a pre-defined number of years, taking into account the fact that disadvantages have been identified for the auditing role when approaching the end of the pre-defined period of performance of duties.

Alternatively, bearing in mind that the Audit Committee is the body responsible for determining the conditions for maintaining, rotating or replacing the External Auditor, this body performs an annual assessment of the External Auditor, checking the independence necessary for it to remain in office and carries out an analysis of the cost/benefit of changing the External Auditor, advising on the respective maintenance or otherwise.

Additionally, the Company complied with what was foreseen in paragraph 2 of Article 54 of the former

Legal Regime of Portuguese Statutory Auditors which set seven years as the maximum period for exercising audit functions by the partner responsible for overseeing the statutory audit or for the direct execution of the statutory audit, which is the Company's case, and the analysis made by the Audit Committee always implied compliance with such legal obligation.

The new Legal Regime of Portuguese Statutory Auditors, approved by Law nr. 140/2015 of 7th September (which came into force on 1st January 2016) foresees a new regime which is applicable to the rotation of statutory auditors of public-interest entities, which will have to be taken into account by the Company.

45. DETAILS OF THE BOARD RESPONSIBLE FOR ASSESSING THE EXTERNAL AUDITOR AND THE REGULAR INTERVALS TO CARRY OUT THE ASSESSMENT

The Audit Committee is the responsible body for evaluating the performance of the External Auditor, which is performed annually. The Committee discussed and considered the costs and advantages of maintaining the External Auditor, as well as the independence shown in that role, having decided to give a favourable opinion for its maintenance for the year 2015.

46. NON-AUDIT SERVICES CARRIED OUT BY THE EXTERNAL AUDITOR FOR THE COMPANY AND/OR COMPANIES IN A CONTROL RELATIONSHIP, AND INDICATION OF INTERNAL PROCEDURES FOR APPROVING THE RECRUITMENT OF SUCH SERVICES AND REASONS FOR SAID RECRUITMENT

From the non-audit services requested by Group's Companies to the External Auditor and other entities belonging to the same network, totalling 44,342 euros, reference is made to those concerning access to a tax database, audit reliability services under applicable laws in the countries where the Group operates, support services in the field of human resources and certification of the carbon footprint calculation.

All these services were necessary for the regular activity of the Companies of the Group and, after due analysis of the situation, the External Auditor and/or the entities belonging to its network were considered as those which could best perform the said services. Besides being carried out by employees who do not participate in any auditing work for the Group, these services are marginal to the work of the auditors and do not affect, either by their nature or by their amount, the independence of the External Auditor during the performance of its role.

In this respect it should also be noted that in 2011 the Audit Committee regulated the commissioning of non-audit services to the External Auditor, as mentioned in point 37, allowing them to be commissioned as long as the independence of the External Auditor was assured and imposing their prior approval as of the moment the global amount of the respective fees in the year surpassed 10% of the global fees of the audit services.

47. DETAILS OF ANNUAL REMUNERATION PAID BY THE COMPANY AND/OR LEGAL ENTITIES IN A CONTROL OR GROUP RELATIONSHIP TO THE AUDITOR AND OTHER NATURAL OR LEGAL PERSONS PERTAINING TO THE SAME NETWORK AND PERCENTAGE BREAKDOWN RELATING TO THE FOLLOWING SERVICES

In 2015, the total remuneration paid to the External Auditor and other individuals or companies' belonging to the same network was 875,015 euros.

In percentage terms, the amount referred to is divided as follows:

	Amount	%
By the Company		
Amount for statutory auditing services (€)	95,390	10.9%
Amount for audit reliability services (€)	-	-
Amount for tax consulting services (€)	-	-
Amount for other non-statutory auditing services (€)	11,720	1.3%
By entities comprising the Group		
Amount for statutory auditing services (€)	735,284	84.0%
Amount for audit reliability services (€)	14,920	1.7%
Amount for tax consulting services (€)	4,902	0.6%
Amount for other non-statutory auditing services (€)	12,800	1.5%

SECTION C INTERNAL ORGANISATION

SUBSECTION I ARTICLES OF ASSOCIATION

48. RULES APPLICABLE TO AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Articles of Association do not define any rules applicable to the amendment of the Company's Articles of Association, therefore the terms defined by the Law apply to these matters.

SUBSECTION II REPORTING OF IRREGULARITIES

49. REPORTING MEANS AND POLICY ON THE REPORTING OF IRREGULARITIES IN THE COMPANY

Since 2004, the Ethics Committee of Jerónimo Martins has implemented a system of bottom-up communication that ensures that every employee at every level has access to communication channels to contact officers who are recognised within the Company with information on possible irregularities occurring



within the Group. They may also make any comments or suggestions, particularly with respect to compliance with the procedural manuals in effect, especially the Code of Conduct.

This measure clarifies guidelines on questions as diverse as compliance with current legislation, respect for the principles of non-discrimination and equal opportunities, environmental concerns, business transparency and the integrity of relations with suppliers, customers and official entities, among other matters.

The Ethics Committee has informed all the Group employees of the available means to, if necessary, communicate with this body. This is possible by means of letter via freepost or internal or external e-mail with a dedicated address. Interested parties may also request from the respective General Manager or Functional Director any clarification of the rules in force and their application, or they may provide them with information regarding any situation that may question them.

Whichever communication channel is used, anonymity is assured for anyone who requires it.

SUBSECTION III INTERNAL CONTROL AND RISK MANAGEMENT

50. INDIVIDUALS, BOARDS OR COMMITTEES RESPONSIBLE FOR THE INTERNAL AUDIT AND/OR IMPLEMENTATION OF THE INTERNAL CONTROL SYSTEMS

The Internal Audit Department assesses the quality and effectiveness of the internal control and risk management systems that are set by the Board of Directors.

The Internal Control objectives involve the assurance of the operational efficiency, the financial and operational reporting consistency and the fulfilment of applicable laws and regulations. To assure it, the Internal Audit activity plan takes in consideration the evaluation of the operational risks and the critical processes applicable to each company.

The results of the internal audits are made available, on a monthly basis, to the Internal Control Committee and to the Group's Managing Committee. Each quarter these reports are presented to the Audit Committee. With the same regularity a report is prepared regarding the status of the recommendations agreed with the audited areas managers.

During 2015, there were audits performed over stock management, cash collection, management of accounts payable and receivable, supplementary income, investments and information systems, among others.

51. DETAILS OF HIERARCHICAL AND/OR FUNCTIONAL DEPENDENCY IN RELATION TO OTHER BOARDS OR COMMITTEES OF THE COMPANY

The head of the Internal Audit Department reports hierarchally to the Chairman of the Board and CEO and functionally to the Audit Committee. The head of Internal Audit Department is also a member of the Internal Control Committee, which in turn reports to the Audit Committee.

See organisational structure in point 21.

52. OTHER FUNCTIONAL AREAS RESPONSIBLE FOR RISK CONTROL

a) Enterprise Risk Management System

The Group, and in particular its Board of Directors, dedicates a great deal of attention to the risks affecting the businesses and their objectives, and is committed to ensure that Risk Management is an effective and fundamental component of the corporate strategy, culture and value-creation process.

The approach to Risk Management is detailed in the Group's Risk Management Policy that sets out the Group's Enterprise Risk Management System and outlines the roles and responsibilities of the persons responsible for its execution.

a.1) Risk Management Objectives

The aim of the Corporate Risk Management System is not to eliminate risk completely from the Group's activities, but rather to ensure that every effort is made to manage risk appropriately, maximizing potential opportunities and minimizing the adverse effects of risk.

The Enterprise Risk Management System has the objectives to structure and consistently organize the way the Group identifies risks, assuring that they are assessed broadly, considering dependencies and correlations within various risks areas. It establishes procedures for reporting that allow for an adequate monitoring of the mitigation measures and the risks control.

Due to the size and geographical dispersion of Jerónimo Martins' activities, successful Risk Management depends on the participation of all employees, who should assume this as an integral part of their jobs, particularly through the identification and reporting of risks associated within

their area of responsibility. Therefore, all activities must be carried out with an understanding of what the risk is, with an awareness of the potential impact of unexpected events on the Company and its reputation.

The Group is committed to ensuring all employees are provided with adequate guidance and training on the principles of Risk Management, on the criteria and processes set by the Risk Management policy and on their responsibilities to manage risks effectively.

a.2) Organisation of Risk Management

The Risk Management Governance Model is defined in order to ensure the effectiveness of Risk Management Framework and is aligned with the Three Lines of Defence Model, which distinguishes among three Groups (or lines) involved in effective Risk Management, namely:

- First Line of Defence (Business Operations: Risk Owners) - responsible for the daily Risk Management activities aligned with the business strategy, and also aligned with existing internal procedures and Risk Management Policy;
- Second Line of Defence (Oversight Functions: Group and Business Unit Risk Managers) - responsible for the Risk Management analysis and reporting,

as well as for future suggestions or policies development that improve or increase the efficiency of Risk Management processes. This second line also includes functions such as Financial Control, Security, Quality & Food Safety, amongst other corporate areas;

- Third Line of Defence (Independent Assurance: Internal Audit and External Audit) - responsible for providing assurance on the effectiveness of governance, Risk Management and internal controls, including the manner in which the first and second lines of defence perform their Risk Management and control objectives.

The Risk Management organisational structure considers the following main roles and responsibilities:

- The Board of Directors is responsible for establishing the Risk Management policy and strategy and for setting goals in terms of risk-taking. It is also the Board's responsibility to provide for the creation of control systems necessary to ensure that the risks effectively incurred are consistent with the goals set;
- The Audit Committee approves the activity plans with regard to Risk Management, monitors their execution and assesses the effectiveness of the internal control, internal auditing and risk management system;



- The CEO, assisted by the Managing Committee, ensures the implementation of the Risk Management policy and strategy as established by the Board of Directors, as well as promotes a risk awareness culture in the organisation ensuring that Risk Management is embedded in all processes and activities;
- The Risk Committee assists and advises the Managing Committee, as the CEO's assisting body, in assessing and establishing the mitigating measures for the different types of risk, and ensuring the existence of an effective Risk Management framework;
- The Group Risk Management Department (GRM) is responsible for the implementation of the Risk Management framework, coordination of all Risk Management activities and for supporting the Managing Committee and the Risk Committee in the identification of risk exposures that might compromise the Group's strategic and business goals. GRM is also responsible for the coordination and alignment of the practices adopted by the Companies in the Business Continuity Plans (BCP);
- The Business Unit Risk Manager is responsible for the implementation of Risk Management initiatives at the Company level and to support the respective Risk Owners activities;

- The Risk Owners are all employees in charge of the execution and/or control over a given process or activity, within a business unit or a corporate structure, which are responsible for managing the risks involved in those activities;
- The Internal Audit Department focuses its work on the significant risks, as identified by management, and audits the Risk Management processes across the Organisation, providing assurance regarding the effectiveness and efficiency on the Management of Risk and active support in the Risk Management process.

53. DETAILS OF THE MAIN RISKS TO WHICH THE COMPANY IS EXPOSED IN PURSUING ITS BUSINESS ACTIVITY

Strategic Risks

Strategic risk management involves monitoring factors such as social, political and macro-economic trends: the evolution of consumers' preferences, the businesses' life cycle, the dynamics of the markets (financial, employment, natural and energy resources), the competitors' activity, technological innovation, availability of resources and legal and regulatory changes.

The management team uses this information to understand market needs and to identify any

opportunities and threats in the industries and sectors in which it operates, namely in terms of potential profitability and growth, but also in terms of both the strategic alignment and appropriateness of its business model in light of current and future conditions.

Operating Risks

Derives from the execution of normal business functions, across the value chain, and it focuses on risks arising from the processes through which the Group units operate.

The operational risks cover risks related to category management and sourcing, stock management, cash management, logistics and supply chain and the efficiency in the use of resource and assets as well as its safety and security.

Fraud and corruption risks are also considered in the risk assessment for the most relevant operational activities. The adequacy and range of the controls and mitigation measures are also reviewed and reconsidered whenever necessary.

Food quality and safety

The Group seeks to provide healthier products and food solutions, and it seeks to ensure and enforce product safety in strict compliance with food safety standards.

The Quality and Food Safety Departments of the Companies are responsible for the following areas: i. prevention, through selection, assessment and follow-up audits on suppliers; ii. monitoring by following the product throughout the whole logistics circuit, to analyse compliance with best practice and certification requirements; and iii. training by carrying out periodic simulations and awareness initiatives.

The Companies are monitored continuously by quality control technicians, to ensure the implementation of procedures and to assess the efficiency of training and the suitability of the facilities and equipment.

Environment Risks

The efficient management of resources, coupled with environmental preservation, is essential for the sustained growth of the Group's businesses. Jerónimo Martins' Companies develop activities which, either due to the nature of its activities or its dimension, have environmental impacts on ecosystems.

Aware of this fact, the Group has conducted studies on the effects of its activities on ecosystems and the resources they provide. This is the case of the studies: i. Biodiversity Management in Jerónimo Martins; ii. Sustainable Agriculture;

iii. Fish Species Risk Assessment, and iv. Deforestation commodity mapping in Private Label and Perishable products.

The risks of climate change are also addressed by the Group and can be of the following nature:

- Regulatory, which can be a result of increased costs of compliance with new environmental legislation;
- Physical, which may result in shortage of natural resources, such as agricultural products, or in the disruption of the supply chain associated with climatic events;
- Reputational, associated with expectations of the Group's stakeholders to reduce carbon emissions.

The probability of occurrence of these situations and their level of impact are analysed by the Group as part of its risk assessment procedures. Considering the risks posed by climate change, in particular, the Group discloses its review in the annual response to CDP (Carbon Disclosure Project), which is available at www.cdp.net.

Physical Security and People Risks

The Security Department is responsible for ensuring that conditions exist to guarantee the physical security of people and facilities.

Physical security and people risk management involves defining and publicising working standards and instructions, carrying out employee awareness initiatives and training, performing audits on the stores, risk assessment in all establishments and performing emergency simulations.

Information Systems Risks

The risks associated to Information Technologies are analysed considering its different components: planning and organisation, development, operations management, information security and continuity. The risk management of Information Security in the Group is the responsibility of an exclusively dedicated Department and consists of implementing and maintaining an information security management system that ensures confidentiality, integrity and availability of critical business information, as well as the recovery of the systems in the event of interruption to the operations.

Regulation Risks

Compliance with legislation is provided by the Legal Departments of the Group Companies. With regard to the Holding Company, the Legal Department guarantees the co-ordination and implementation of strategies aimed at protecting the interests of Jerónimo Martins in legal disputes, and it also manages outside advisers.



In order to ensure the fulfilment of tax obligations, the Holding Fiscal Affairs Department advises the Group's Companies, as well as oversees their tax proceedings.

Financial Risks

Risk Factors

Jerónimo Martins is exposed to several financial risks, namely: market risk (which includes exchange rate risk, interest rate risk and price risk), liquidity risk and credit risk.

The management of these risks is focused on the unpredictable nature of the financial markets and aims to minimize its adverse effects on the Company's financial performance.

Certain types of exposure are managed using financial derivative instruments.

The activity in this area is carried out by the Financial Operations Department, under the supervision of the Chief Financial Officer. It is responsible for identifying, assessing and hedging financial risks, by following the guidelines set out in the Financial Risk Management Policy that was approved in 2012 by the Board of Directors.

Every quarter, reports on compliance with the Financial Risk Management Policy are presented to and discussed with the Audit Committee.

The information concerning financial risks to which the Group is exposed can be found in note 30 – Financial Risks of Chapter III of the Annual Report and Accounts, available at www.jeronimomartins.pt.

54. DESCRIPTION OF THE PROCEDURE FOR IDENTIFICATION, ASSESSMENT, MONITORING, CONTROL AND RISK MANAGEMENT

The Group's Risk Management framework considers a continuous process of risk assessment, which is an integral part of the normal decision-making and management processes.

The Risk Management process is aligned with the ISO 31000 international standard recommendations and seeks mainly to distinguish what is irrelevant from what is material, requiring an active management which involves the assessment of sources of risk, the probability of occurrence of a certain event and the consequences of its occurrence within the context of the control environment.

The Group prepares and maintains an overall risk profile that lists all relevant operational and strategic risks, as well as the corresponding implemented mitigation and control mechanisms. The list is updated regularly with information from the on-going risk assessment processes.

A global review is made under the coordination of the Group Risk Management Corporate Department, as part of the strategic and operational planning processes, so that the information related to the most relevant risks is dully updated and considered during the planning process. This way it triggers the development of the alternatives under analysis as well as the identification of new activities that strengthen the defense of the directed objectives.

55. CORE DETAILS ON THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IMPLEMENTED IN THE COMPANY REGARDING THE PROCEDURE FOR FINANCIAL REPORTING

The Board of Directors is highly committed to assuring the reliability of financial reporting and the preparation of the Group's financial statements. This is done by ensuring that the Group has in place adequate policies that provide reasonable assurance that transactions are recorded and reported in accordance with Generally Accepted Accounting Principles (GAAP), and that expenditures are realized only when properly authorized.

The financial reporting risk is mitigated by enforcing segregation of duties and by setting preventive and detective controls, which involves limiting access to IT systems, and a comprehensive performance monitoring system.

Additional controls are provided by the Audit Committee oversight and Internal Control Committee reliability assessments over the preparation and disclosure of financial information and by the Group's Planning and Control Department monitoring activities over the performance of each business units and in review of the deviations to the approved plans.

SUBSECTION IV INVESTOR ASSISTANCE

56. DEPARTMENT RESPONSIBLE FOR INVESTOR ASSISTANCE

Composition

The Investor Relations Office of Jerónimo Martins is comprised as follows:

Office Manager: Cláudia Falcão

Team: Ana Maria Marcão, Hugo Fernandes and Raquel Freitas

Main Roles

The Investor Relations Office of Jerónimo Martins is responsible for communication with all investors – institutional and private, national and foreign – as well as the analysts who formulate opinions and recommendations regarding the Company. The Investor

Relations Office is also responsible for matters related to the Comissão do Mercado de Valores Mobiliários (Portuguese Securities and Exchange Commission).

Communication Policy of Jerónimo Martins for the Capital Markets

Jerónimo Martins' policy for communicating to the capital markets aims to ensure a regular flow of relevant information, which respects the principles of symmetry and simultaneity and creates a faithful image of the Company's business performance and strategy for investors, shareholders, analysts and the general public.

Jerónimo Martins' communication policy regarding the financial market is designed to ensure that material information - history, current performance and outlook for the future - is available to all its stakeholders, in order to provide clear and complete information about the Group.

The financial communication strategy outlined for each year is based on the principles of transparency, rigour and consistency. This ensures that all relevant information is transmitted in a non-discriminatory, clear and complete manner to stakeholders.

Information Provided

Annually, and based on the above-mentioned principles, the Office draws up a Communication Plan for the Financial

Market, which is included in the global communication strategy of Jerónimo Martins.

With the objective of transmitting an updated and clear vision of the strategies of the different business areas of Jerónimo Martins to the market, in terms of operational performance and outlook, the Investor Relations Office organises a series of events so that investors can learn about Jerónimo Martins' various businesses, its strategies and prospects for the future, and simultaneously follow the progress of activities during the year, by clarifying any doubts.

Throughout 2015, actions were carried out that allowed the financial markets to dialogue not only with the Investor Relations Office, but also with the Jerónimo Martins management team. The following are highlighted:

- Meetings with financial analysts and investors;
- Responses to e-mail questions addressed to the Investor Relations Office;
- Telephone calls;
- Release of announcements to the market through the CMVM (Portuguese Securities and Exchange Commission) extranet, through the Jerónimo Martins and Euronext Lisbon web sites and mass mailings sent to all the Company's investors and financial analysts listed in the database created and updated by the Office;
- Presentations to the financial community: presentation of results, roadshows, conferences, Annual General Shareholders' Meeting.



In order to make information easily accessible to all interested parties, the communications issued regularly by the Office are available in full on the Jerónimo Martins' institutional website, at www.jeronimomartins.pt.

The site not only provides mandatory information, but also general information about the Group and the Companies that form it, in addition to other information considered relevant, namely:

- Announcements to the market about privileged information;
- Annual accounts, including the Annual Report on the activities of the Audit Committee, six-month and quarterly reports of the Group;
- Economic and financial indicators and statistical data, updated every six or twelve months, in accordance with the Company or business area;
- Jerónimo Martins' most recent presentation to the financial community and historical collection;
- Information about share performance on the stock market;
- The annual calendar of Company events, released at the beginning of every year, including, among others, General Shareholders' Meetings and the disclosure of annual, half-yearly and quarterly results;
- Information regarding the General Shareholders' Meetings;
- Information about Corporate Governance;
- Code of Conduct of Jerónimo Martins;
- Company Articles of Association;

- Current Internal Regulations;
- Minutes of the General Shareholders' Meetings, or respective extracts, which are available within five days of the meeting's date;
- Historical agendas and decisions taken at the General Shareholders' Meetings held over the seven previous years.

The website also has all this information, with no exception, in English and was a pioneer in its accessibility for people with visual disabilities, using a tool specially designed for this purpose.

Contacts

The Office may be contacted through the Market Relations Representative and the Investor Relations Office Manager, Cláudia Falcão - and via the e-mail address: investor.relations@jeronimo-martins.pt.

The main contact information for the Investor Relations Office is as follows:

Address: Rua Actor António Silva, n.º 7, 1649-033, Lisboa
Telephone: +351 21 752 61 05

57. MARKET RELATIONS OFFICER

The Jerónimo Martins' market relations representative is the Investor Relations Officer, Cláudia Falcão.

58. EXTENT AND DEADLINE FOR REPLYING TO THE REQUESTS FOR INFORMATION RECEIVED THROUGHOUT THE YEAR OR PENDING FROM PRECEDING YEARS

Within the scope of issues addressed to the Office, sent via email, or through telephone contact, during the course of 2015, the Investor Relations Office recorded 408 requests for information, the majority of which were given an immediate reply to or were responded to within an appropriate time for the type of request. At the end of the year there were no pending requests for information.

SUBSECTION V WEBSITE

59. RELEVANT ADDRESSES

The Company's institutional website is available in Portuguese and English and can be accessed using the following address www.jeronimomartins.pt or www.jeronimomartins.com.

60. PLACE WHERE INFORMATION ON THE FIRM, PUBLIC COMPANY STATUS, HEADQUARTERS AND OTHER DETAILS REFERRED TO IN ARTICLE 171 OF THE COMMERCIAL COMPANIES CODE IS AVAILABLE

Information concerning Article 171 of the Commercial Companies Code is available on the Jerónimo Martins institutional website through the following link: www.jeronimomartins.pt/o-grupo/contactos-corporativos.aspx

61. PLACE WHERE THE ARTICLES OF ASSOCIATION AND REGULATIONS ON THE FUNCTIONING OF THE BOARDS AND/OR COMMITTEES ARE AVAILABLE

The Articles of association and regulations on the functioning of the Boards and/or Committees are available on the Jerónimo Martins institutional website through the following link: www.jeronimomartins.pt/investidor/governo-da-sociedade/estatutos-regulamentos.aspx.

62. PLACE WHERE INFORMATION IS AVAILABLE ON THE NAMES OF THE STATUTORY BODIES' MEMBERS, THE MARKET RELATIONS OFFICER, THE INVESTOR RELATIONS OFFICE, RESPECTIVE FUNCTIONS AND CONTACT DETAILS

The information in question is available on the Jerónimo Martins institutional website and may be accessed through the following links:

Names of the Statutory Bodies' members:

Board of Directors

www.jeronimomartins.pt/investidor/governo-da-sociedade/orgao-social/conselho-de-administracao.aspx.

Audit Committee

www.jeronimomartins.pt/investidor/governo-da-sociedade/orgao-social/comissao-de-auditoria.aspx.

General Shareholders' Meeting

www.jeronimomartins.pt/investidor/governo-da-sociedade/orgao-social/assembleia-geral.aspx.

Statutory Auditor

www.jeronimomartins.pt/investidor/governo-da-sociedade/orgao-social/revisor-oficial-de-contas.aspx.

Name of the Market Relations officer

www.jeronimomartins.pt/investidor/contactos_investidor.aspx.

Information concerning the Investor Relations Office, respective functions and contact details

<http://www.jeronimomartins.pt/investidor/gabinete-relacoes-com-investidor.aspx>.

63. PLACE WHERE THE DOCUMENTS RELATING TO FINANCIAL ACCOUNTS REPORTING ARE AVAILABLE, AND THE HALF-YEARLY CALENDAR ON COMPANY EVENTS PUBLISHED AT THE BEGINNING OF EVERY SIX MONTHS

The above information is available on Jerónimo Martins institutional website through the following links:

Financial accounts reporting

www.jeronimomartins.pt/investidor/relatorios.aspx.

Half-yearly calendar on Company events

www.jeronimomartins.pt/investidor/calendario-financeiro.aspx.

64. PLACE WHERE THE NOTICE CONVENING THE GENERAL SHAREHOLDERS' MEETING AND ALL THE PREPARATORY AND SUBSEQUENT INFORMATION RELATED THERETO IS DISCLOSED

The place where the notice convening the General Shareholders' Meeting and all the preparatory and subsequent information related thereto is disclosed on Jerónimo Martins institutional website through the following link: www.jeronimomartins.pt/investidor/assembleia-geral.aspx.

65. PLACE WHERE THE HISTORICAL ARCHIVE ON THE RESOLUTIONS PASSED AT THE COMPANY'S GENERAL SHAREHOLDERS' MEETINGS, SHARE CAPITAL AND VOTING RESULTS RELATING TO THE PRECEDING THREE YEARS ARE AVAILABLE

The place where the historical archive on the resolutions passed at the Company's General Shareholders' Meetings, share capital and voting results relating to the preceding years, including the last three, is available on the Jerónimo Martins institutional website through the following link: www.jeronimomartins.pt/investidor/assembleia-geral/arquivo-assembleias-gerais.aspx.



SECTION D REMUNERATION

SUBSECTION I POWER TO ESTABLISH

66. DETAILS OF THE POWERS FOR ESTABLISHING THE REMUNERATION OF STATUTORY BODIES, AND DIRECTORS OF THE COMPANY

Within the terms of Article Twenty Nine of the Company's Articles of Association, the remuneration of the Statutory Bodies is set by the General Shareholders' Meeting or by a committee nominated by the latter. Under this last possibility, the shareholders of Jerónimo Martins decided to nominate a Remuneration Committee to set the remuneration of the members of the Statutory Bodies.

The Remuneration Committee is elected for a three year term, being the present term comprised between years 2013-2015.

The remuneration of the Company's management is decided by the respective Board.

SUBSECTION II REMUNERATION COMMITTEE

67. COMPOSITION OF THE REMUNERATION COMMITTEE, INCLUDING DETAILS OF PERSONS RECRUITED TO PROVIDE SERVICES TO SAID COMMITTEE AND STATEMENT ON THE INDEPENDENCE OF EACH MEMBER

At the General Shareholders' Meeting held on 10th April 2013, Arlindo do Amaral (Chairman), José Queiroz Lopes Raimundo and Soledade Carvalho Duarte were elected to this Committee for the term in force.

None of the members of the Remuneration Committee is a Member of the Board of Directors of the Company, or has a spouse, family Member or relative in such a position, nor do they have relationships with the Members of the Board of Directors that may affect their impartiality in the performance of their duties.

On 10th April 2014, José Queiroz Lopes Raimundo resigned as member of this Committee and the position remains vacant.

During 2014, the Remuneration Committee did not consider it necessary to contract services to support it in the performance of its duties.

68. KNOWLEDGE AND EXPERIENCE IN REMUNERATION POLICY ISSUES BY MEMBERS OF THE REMUNERATION COMMITTEE

The Members of this Committee have extensive knowledge and experience in management and remuneration policy, which gives them the necessary skills to perform their duties adequately and effectively.

Arlindo do Amaral has a Law degree from Lisbon Law School of University of Lisbon, having worked for more than thirty years in Fima Lever Iglo Group in the area of human resources management, having namely acted as Human Resources Manager, Remuneration Officer and Human Resources Director.

Soledade Carvalho Duarte has a degree in Human Resources Management and Labor Psychology by ISLA/ESOCT, working since 1986 in the Executive Search area, having been responsible for the deployment of the Executive Assessment business line in Portugal. She developed several processes for the selection and the hiring of executives and senior management in different areas of activity. She was distinguished as Practice Leader in the Automotive and Health Care sector.

SUBSECTION III REMUNERATION STRUCTURE

69. DESCRIPTION OF THE REMUNERATION POLICY OF THE BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

The Remuneration Committee was of the opinion that there was no justification for major changes to the basic principles that have been the core of the Corporate Bodies Remuneration Policy, which should continue having in attention the current legal and recomendatory framework, as well as the organisational model adopted by the Board of Directors, pursuant to the election of the respective members for the 2013-2015 period.

With respect to the organisation of the Board of Directors, the Remuneration Committee has especially taken into account the following characteristics:

- The existence of a Chief Executive Officer with delegated duties regarding the day-to-day management of the Company, as well as of a Director or Directors to whom the Board have entrusted or may entrust special duties;
- The participation of Non-Executive Directors in Specialised Committees, who are therefore called to devote increased time to Company's affairs.

Considering the said organisational model, the Remuneration Committee understands that there are no grounds justifying any major changes in the principles that have been adopted as to the Corporate Bodies Remuneration Policy.

The remuneration of Directors with executive duties continues to comprise a fixed and a variable component, that together guarantee a more competitive remuneration in the market and which also serves as a motivating element for high individual and collective performance, allowing ambitious targets for accelerated growth and the appropriate shareholders remuneration to be set and achieved.

Annually, by proposal of the Chairman of the Board of Directors, the variable component is fixed by the Remuneration Committee, taking into account the expected contribution of Executive Directors to results, shareholder value creation (EVA), evolution of share prices, the work carried out during the preceding financial year, the degree of achievement of the projects integrated on the Group's Strategic Scorecard, as well as the criteria applied in the attribution of variable remuneration to the remaining Managers.

The Remuneration Policy continues seeking to reward the Executive Directors for the sustained performance of the Company in the long-term, and the safeguarding of the interests of the company and shareholders within this period of time. For this reason, the variable component takes into account the contribution of the Executive Directors to the conduct of business through: 1) the achievement of EVA objectives set out in the Medium and Long-Term Plan approved by the Board of Directors; 2) the development of the share price; 3) the implementation of a series of projects across the Group's Companies, which, having been identified by the Board of Directors as essential to ensure future competitiveness, have a time scale that may exceed one calendar year, being the Executive Directors responsible for each compliance stage, in the scope of their duties.

The variable remuneration is, as already noted, dependent on predetermined criteria to be fixed at the start of each year by the Remuneration Committee, following a proposal from the Chairman of the Board of Directors, which take into consideration the Company's real growth, the wealth created for shareholders, and long-term sustainability.

Bearing in mind the contribution of the several countries and business areas where the Group operates to total



turnover and consolidated results, the Remuneration Committee considers adequate that the payment of the fixed and variable components of remuneration to Directors with executive duties be split amongst the Company and its subsidiary companies where such Directors are also members of the management body, according with a ratio to be determined by this Committee.

As regards the deferral of part of the variable component of the remuneration, the Remuneration Committee conducted a study on the subject in 2011 without reaching a conclusion about the advantages or inconveniences of its adoption, considering that the manner in which the remuneration of the Executive Directors is structured is adequate and ensures full alignment of their interests with those of the Company in the long-term. For the same reason, the Remuneration Committee deems unnecessary to determine the maximum potential amount, in aggregate and/or individual terms of remuneration to be paid to members of Corporate Bodies. Furthermore, the Committee considers that the Remuneration Policy of the Company is aligned with the remuneration practices of its counterparts within the PSI-20, bearing in mind the characteristics of the Company.

The Company did not enter into any contracts with its Directors which mitigate the risk inherent to the

remuneration variability set by the Company, nor is the same aware that any such contracts have been entered into between its Directors and third parties.

The absence of a deferral period for the variable component makes it unnecessary to have mechanisms to prevent the execution of contracts by Executive Directors that subvert the rationale of variable remuneration.

The remuneration of the members of the Audit Committee as well as the remuneration of Directors with non-executive duties continues to comprise a fixed component only.

With respect to Directors with non-executive duties who are part of Specialised Committees (whether or not exclusively composed of Directors), the Remuneration Committee considered it appropriate to continue the attribution of meeting fees, bearing in mind that the duties performed within those Committees demand additional availability from the respective member Directors.

Similarly, with respect to Non-Executive Directors who take part of supervisory bodies of the Company's subsidiaries, bearing in mind that such duties arise from the exercise of their functions as Directors, the Remuneration Committee considered appropriate to attribute to them meeting fees.

As established by the Remuneration Committee in 2010, life and health insurance fringe benefits continued for Directors with executive duties.

The Statutory Auditor is remunerated in accordance with the auditing services agreement signed with the Jerónimo Martins Group, which covers almost all its subsidiaries. This remuneration shall be in line with market practices.

The Retirement Pension Plan for Executive Directors was approved at the 2005 Annual General Shareholders' Meeting, which is better described in point 76.

This Remuneration Policy was subject to discussion at the Annual General Shareholders' Meeting held last year.

70. INFORMATION ON HOW REMUNERATION IS STRUCTURED SO AS TO ENABLE THE ALIGNING OF THE INTERESTS OF THE MEMBERS OF THE BOARD OF DIRECTORS WITH THE COMPANY'S LONG-TERM INTERESTS AS WELL AS HOW IT IS BASED ON THE PERFORMANCE ASSESSMENT AND HOW IT DISCOURAGES EXCESSIVE RISK TAKING

As result from the Remuneration Policy described in point 69, remuneration is structured in a way that allows alignment between the interests

of the Board Members with the long term interests of the Company.

The existence of fixed and variable components of remuneration, the fact that the variable remuneration is fixed depending on the verification of several objective factors, e.g., the real growth of the Company, the wealth created for shareholders, the implementation of projects across the Group's Companies which ensure the future competitiveness of businesses and long-term sustainability, cause that management's evaluation is made taking into attention the interests of the Company and its shareholders not only in the short term, but also in the middle and long-term.

As referred in point 69, the Company did not enter into any contracts with its Directors which intend to mitigate the risk inherent to the variability of remuneration set by the Company.

71. EXISTENCE OF VARIABLE REMUNERATION COMPONENT AND INFORMATION ON ANY IMPACT OF THE PERFORMANCE APPRAISAL ON THIS COMPONENT

The remuneration of Directors with executive duties is comprised of a variable component depending, also, of a performance review. See point 69.

72. DEFERRED PAYMENT OF THE REMUNERATION'S VARIABLE COMPONENT AND SPECIFICATION OF RELEVANT DEFERRAL PERIOD

There is no deferred payment of the remuneration's variable component. See point 69.

73. CRITERIA WHEREON THE ALLOCATION OF VARIABLE REMUNERATION ON SHARES IS BASED AND ALSO ON MAINTAINING COMPANY SHARES THAT THE EXECUTIVE DIRECTORS HAVE HAD ACCESS TO, ON THE POSSIBLE SHARE CONTRACTS, HEDGING OR RISK TRANSFER CONTRACTS, THE CORRESPONDING LIMIT AND ITS RELATION TO THE TOTAL ANNUAL REMUNERATION VALUE

The Company does not have any type of plan for attribution of shares to Directors and officers, as defined in no. 3 of Article 248-B of the Portuguese Securities Code.

74. CRITERIA WHEREON THE ALLOCATION OF VARIABLE REMUNERATION ON OPTIONS IS BASED AND DETAILS OF THE DEFERRAL PERIOD

The Company does not have any plan for the attribution of share purchase options to Directors and officers, as defined in no. 3 of Article 248-B of the Portuguese Securities Code.

75. KEY FACTORS AND GROUNDS FOR ANY ANNUAL BONUS SCHEME AND ANY ADDITIONAL NON-FINANCIAL BENEFITS

See points 69 to 71. Directors with executive duties receive also life and health insurance fringe benefits.

76. KEY CHARACTERISTICS OF THE SUPPLEMENTARY PENSIONS SCHEMES FOR DIRECTORS AND DATE WHEN SAID SCHEMES WERE APPROVED AT THE GENERAL SHAREHOLDERS' MEETING, ON AN INDIVIDUAL BASIS

At the 2005 Annual General Shareholders' Meeting, a Retirement Pension Plan for Executive Directors was approved.

It is a Defined Contribution Pension Plan, in which the value of the contribution is fixed in advance – the percentage of the monthly deduction for the Fund is currently 17.5% –, the value of the benefits varying depending on the earnings obtained. The Remuneration Committee defines the contribution rate of the Company and the initial contribution.

Plan participants, as defined in the respective regulation, include the Executive Directors of the Company. In the specific case of Executive Directors in office at the time



of the 2005 General Shareholders' Meeting, those who opted for the current Pension Plan would forego eligibility for the Alternative Pension Plan, by way of expressly and irrevocably waiving it.

The retirement date coincides with the day itself or the first day of the month following the month in which the Participant reaches normal retirement age, as established into the General Social Security Scheme. A Participant will be considered to be in a state of total and permanent invalidity if recognized as such by the Portuguese Social Security.

The pensionable salary is the gross monthly basic salary multiplied by 14 and divided by 12. To this fixed monthly amount is added, at the end of each calendar year, a variable amount comprising all the amounts received as variable remuneration.

Additionally, concerning Directors who were in office at the date of the said 2005 General Shareholders' Meeting, the complementary pension or retirement system regime applies, under the terms of the respective Regulation, Directors have the right to a Complementary Pension at retirement age, cumulatively, when they: i. are over 60 years old; ii. have performed executive functions; and iii. have performed the role of a Director for more than 10 years. This supplement was established in the 1996 Annual General Shareholders' Meeting and only those Directors that have not opted for the Retirement Pension Plan mentioned above may benefit from this supplement.

SUBSECTION IV REMUNERATION DISCLOSURE

77. DETAILS ON THE AMOUNT RELATING TO THE ANNUAL REMUNERATION PAID AS A WHOLE AND INDIVIDUALLY TO MEMBERS OF THE COMPANY'S BOARD OF DIRECTORS

The remuneration of the members of the Board in 2015 totaled 1,741,999.08 euros, corresponding the total amount to fixed remuneration.

In the chart below reference is made to the remuneration paid individually to the Members of the Board of Directors: (euros)

Director	Remuneration Paid	
	Fixed Component	Variable Component
Pedro Soares dos Santos*	456,160.05	-
Alan Johnson**	493,500.00	-
Andrzej Szlezak	70,000.00	-
António Pedro de Carvalho Viana-Baptista	70,000.00	-
Artur Stefan Kirsten	30,000.00	-
Clara Christina Streit	50,000.00	-
Francisco Seixas da Costa	70,000.00	-
Hans Eggerstedt	70,000.00	-
Henrique Soares dos Santos	40,000.00	-
José Soares dos Santos***	242,339.03	-
Nicolaas Pronk	50,000.00	-
Sérgio Tavares Rebelo	100,000.00	-

* Includes contributions in the financial year to the Retirement Pension Plan, in the amount of 86,362.52 euros.

** Includes contributions in the financial year to the Retirement Pension Plan, in the amount of 73,500.00 euros.

*** Includes contributions in the financial year to the Retirement Pension Plan, in the amount of 28,583.32 euros.

78. AMOUNTS PAID, FOR ANY REASON, BY OTHER COMPANIES IN A CONTROL OR GROUP RELATIONSHIP OR ARE SUBJECT TO A COMMON CONTROL

Additionally to the amounts referred to in point 77, amounts were paid by other companies in a control or Group relationship or subject to a common control to Directors during 2015 totalling 475,500.00 euros, being the individual amounts paid detailed in the chart below:

Director	Amounts Paid (euros)	
	Fixed Component	Variable Component
Pedro Soares dos Santos*	409,500.00	-
Andrzej Szlezak**	22,000.00	-
Francisco Seixas da Costa**	22,000.00	-
Hans Eggerstedt**	22,000.00	-

* For exercise of management duties.

** For exercise of functions in Supervisory Board.

79. REMUNERATION PAID IN THE FORM OF PROFIT-SHARING AND/OR BONUS PAYMENTS AND THE REASONS FOR SAID BONUS AND/OR PROFIT-SHARING BEING AWARDED

The Company did not pay to Directors any remuneration in the form of profit-sharing or bonus.

80. COMPENSATION PAID OR OWED TO FORMER EXECUTIVE DIRECTORS CONCERNING CONTRACT TERMINATION DURING THE FINANCIAL YEAR

No payment was made, nor there is any payment obligation whatsoever, in the event of termination of functions during the term of the Board of Directors.

81. DETAILS OF THE ANNUAL REMUNERATION PAID, AS A WHOLE AND INDIVIDUALLY, TO THE MEMBERS OF THE COMPANY'S SUPERVISORY BOARD

The remuneration paid to the members of the Audit Committee, in such quality, as a whole, was 48,000.00 euros, being the individual amounts paid detailed in the chart below:

Audit Committee	Amounts Paid (euros)	
	Fixed Component	Variable Component
Hans Eggerstedt (Chairman)	16,000.00	-
António Pedro de Carvalho Viana-Baptista	16,000.00	-
Sérgio Tavares Rebelo	16,000.00	-

82. DETAILS OF THE REMUNERATION OF THE CHAIRMAN OF THE PRESIDING BOARD TO THE GENERAL SHAREHOLDERS' MEETING IN THE YEAR OF REFERENCE

The remuneration paid by the Company to the Chairman of the Board of the General Shareholders' Meeting in the year of reference was 5,000.00 euros.

SUBSECTION V AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. ENVISAGED CONTRACTUAL RESTRAINTS FOR COMPENSATION PAYABLE FOR THE UNFAIR DISMISSAL

There are no contractual restraints for the compensation payable in the event of dismissal of Directors without due cause. This matter is regulated by the applicable law.

84. EXISTENCE AND DESCRIPTION OF AGREEMENTS BETWEEN THE COMPANY AND MEMBERS OF THE BOARD OF DIRECTORS AND MANAGERS THAT ENVISAGE COMPENSATION IN THE EVENT OF RESIGNATION OR UNFAIR DISMISSAL OR TERMINATION OF EMPLOYMENT FOLLOWING A TAKEOVER BID

There are no agreements between the Company and members of the Managing Bodies, officers or employees that foresee indemnity payments in the event of resignation, dismissal without due cause or termination of the labour relationship as a consequence of change in the Company's control.

SUBSECTION VI SHARE ALLOCATION AND/OR STOCK OPTION PLAN

85. DETAILS OF THE PLAN AND THE NUMBER OF PERSONS INCLUDED THEREIN

The Company does not have any plan in force to attribute shares or options to acquire shares.

86. CHARACTERISTICS OF THE PLAN

The Company does not have any plan in force to attribute shares or options to acquire shares.

87. STOCK OPTION PLAN FOR THE COMPANY EMPLOYEES AND STAFF

The Company does not have any plan in force to attribute options to acquire shares.

88. CONTROL MECHANISMS FOR A POSSIBLE EMPLOYEE-SHAREHOLDER SYSTEM

There is no employee-shareholder system in the Company.

SECTION E RELATED PARTY TRANSACTIONS

SUBSECTION I CONTROL MECHANISMS AND PROCEDURES

89. MECHANISMS IMPLEMENTED BY THE COMPANY FOR THE PURPOSE OF CONTROLLING TRANSACTIONS WITH RELATED PARTIES

Business between the Company and the Members of the Board

Any dealings that may exist between the Company and its Board Members, are subject to the provisions of Article 397 of the Commercial Companies Code and may only be entered into if so authorised by a resolution of the Board of Directors, for which the interested Director cannot vote, and that authorisation must be preceded by a favourable opinion from the Audit Committee.

Taking into account the election of Andrzej Szlezak (partner in the firm of lawyers Sołtysiński Kawecki & Szlezak (SK&S), one of the Jerónimo Martins Group's External Legal Counsels) for the position of Director of Jerónimo Martins for the term 2013-2015, the Board of Directors authorized since 2013, within the terms of paragraph 2 of Article 397 of the Commercial Companies Code and following the favourable opinion of the Audit Committee, the maintenance of the contract between the Companies and its subsidiaries and the above-mentioned firm for the provision of legal services.

Business between the Company and Other Related Parties

The Board of Directors adopted the procedure and criteria approved by the Audit Committee in the scope of business with other related parties. See point 91.

90. DETAILS OF TRANSACTIONS THAT WERE SUBJECT TO CONTROL IN THE YEAR OF REFERENCE

In 2015, there were no transactions subject to control.

91. DESCRIPTION OF THE PROCEDURES AND CRITERIA APPLICABLE TO THE SUPERVISORY BODY WHEN SAME PROVIDES PRELIMINARY ASSESSMENT OF THE BUSINESS TO BE CARRIED OUT BETWEEN THE COMPANY AND HOLDERS OF QUALIFYING HOLDINGS

As mentioned on point 10 ("Information on Any Significant Business Relationships Between the Holders of Qualifying Holdings and the Company"), no business was carried out by the Company with the shareholders with Qualifying Holdings or entities in any type of relationship with the owners of such holdings, outside of normal market conditions.

In this regard, it should be noted that in terms of procedure the Audit Committee, according to its regulations, is responsible for issuing prior opinion on transactions of significant importance between the Company and its shareholders with Qualifying Holdings – or entities with them related under the terms of Article 20, no. 1 of the Portuguese Securities Code –, establishing the procedures and criteria necessary to define the level of significant importance.

The Audit Committee approved the procedure and criteria applicable to these situations.

Thus deals between the Company or Companies within Jerónimo Martins Group and shareholders with a Qualifying

Holdings or entities with which the same are linked, shall be subject to the assessment and prior opinion of the Audit Committee, whenever one of the following criteria is fulfilled:

- a) Having an amount equal to or higher than 3 million euros or 20% of the sales of the respective shareholder;
- b) Despite having an amount lower than the one resulting from the criteria mentioned in the previous paragraph, the addition of that amount to the amount of the previous deals concluded with the same shareholder with a qualifying holding, during the same fiscal year, equals or exceeds 5 million euros;
- c) Regardless of the amount, they may cause a material impact on the Company's name concerning its independence in the relationships with shareholders with Qualifying Holdings.

SUBSECTION II DATA ON BUSINESS DEALS

92. DETAILS OF THE PLACE WHERE THE FINANCIAL STATEMENTS INCLUDING INFORMATION ON BUSINESS DEALINGS WITH RELATED PARTIES ARE AVAILABLE, IN ACCORDANCE WITH IAS 24

The information concerning business dealings with related parties may be found on note 26 – Related Parties of Chapter III of the Annual Report, available at www.jeronimomartins.pt.

PART II - CORPORATE GOVERNANCE ASSESSMENT

The Company adopted the Code of Corporate Governance of the CMVM having considered that the same ensures an adequate level of protection of its shareholders interests and company governance transparency.

1.DETAILS OF THE CORPORATE GOVERNANCE CODE ADOPTED

The Company adopted the Code of Corporate Governance of the CMVM which is published on the CMVM's website at <http://www.cmvm.pt/en/Comunicados/Comunicados/Documents/2010consol.Corporate%20Governance%20Recommendations.2010.bbmm.pdf>, having considered that the same ensures an adequate level of protection of its shareholders interests and company governance transparency.

The Company is also governed by its Code of Conduct, whose content is linked to corporate governance matters and which may be consulted on its website. All of its Corporate Bodies are governed by regulations, which are documented and available on the Company's website at www.jeronimomartins.pt.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE ADOPTED

2.1. STATEMENT OF COMPLIANCE

The Company complies in its essence with the Recommendations of the CMVM in the Corporate Governance Code of 2013. It is accepted, however, that there are some recommendations that were not adopted in their entirety as it is better explained below.

The following shows the breakdown of the recommendations contained in the Code of Corporate Governance of the CMVM that were adopted, partially adopted, not adopted and not applicable, as well as reference to the text of the Report where the compliance or justification for not adopting or partially adopting these recommendations may be found.

RECOMMENDATION	STATUS REGARDING THE ADOPTION	REFERRAL TO THE CGR TEXT
I. VOTING AND CORPORATE CONTROL		
I.1.	Adopted	Part I, Section B, Sub-section I, point 12
I.2.	Adopted	Part I, Section B, Sub-section I, point 12
I.3.	Adopted	Part I, Section B, Sub-section I, point 12
I.4.	Adopted	Part I, Section B, Sub-section I, point 13
I.5.	Adopted	Part I, Section A, Sub-section I, points 4 and 5 and Section B, Sub-section I, point 12
II. SUPERVISION, MANAGEMENT AND OVERSIGHT		
II.1. Supervision and Management		
II.1.1.	Adopted	Part I, Section B, Sub-section II, points 21 and 28
II.1.2.	Adopted	Part I, Section B, Sub-section II, point 21
II.1.3.	Not applicable	
II.1.4.	Adopted	Part I, Section B, Sub-section II, points 24, 25, 29 and Section D, Sub-section III, point 69
II.1.5.	Adopted	Part I, Section C, Sub-section III, points 50, 52 and 54
II.1.6.	Adopted	Part I, Section B, Sub-section II, point 18
II.1.7.	Adopted	Part I, Section B, Sub-section II, point 18
II.1.8.	Adopted	Part I, Section B, Sub-section II, point 21
II.1.9.	Not applicable	
II.1.10.	Adopted	Part I, Section B, Sub-section II, point 21
II.2. Supervision		
II.2.1.	Partially adopted	Part I, Section B, Sub-section II, point 19 and Subsection III, points 32, 33, and Part II, point 2.1., sub. a)
II.2.2.	Adopted	Part I, Section B, Sub-section II, point 30
II.2.3.	Adopted	Part I, Section B, Sub-section II, point 45
II.2.4.	Adopted	Part I, Section B, Sub-section II, point 30 and Section C, Sub-section III, point 52
II.2.5.	Adopted	Part I, Section B, Sub-section II, point 29 and Section C, Sub-section III, point 50

RECOMMENDATION	STATUS REGARDING THE ADOPTION	REFERRAL TO THE CGR TEXT
II.3. Remuneration Setting		
II.3.1.	Adopted	Part I, Section D, Sub-section II, point 67
II.3.2.	Adopted	Part I, Section D, Sub-section II, point 67
II.3.3.	Partially Adopted	Part I, Section D, Sub-section III, point 69 and Part II, point 2.1, sub. b)
II.3.4.	Not applicable	Part I, Section D, Sub-section III, points 73 and 74
II.3.5.	Adopted	Part I, Section D, Sub-section III, points 69 and 76
III. REMUNERATION		
III.1.	Adopted	Part I, Section D, Sub-section III, point 69
III.2.	Adopted	Part I, Section D, Sub-section III, point 69 and Sub-section IV, points 77, 78 and 79
III.3.	Not Adopted	Part I, Section D, Sub-section III, point 69 and Part II, point 2.1. sub.s b) and c)
III.4.	Not Adopted	Part I, Section D, Sub-section III, point 72 and Part II, point 2.1. sub. d)
III.5.	Adopted	Part I, Section D, Sub-section III, point 69
III.6.	Not applicable	Part I, Section D, Sub-section III, points 69, 73 and 74
III.7.	Not applicable	Part I, Section D, Sub-section III, points 69 and 74
III.8.	Adopted	Part I, Section D, Sub-section III, point 69, and Sub-section V, point 84
IV. AUDITING		
IV.1.	Adopted	Part I, Section B, Sub-section V, point 42
IV.2.	Partially Adopted	Part I, Section B, Sub-section II, point 30, Sub-section III, point 37, Sub-section V, point 46, and Part II, point 2.1, sub. e)
IV.3.	Adopted	Part I, Section B, Sub-section V, point 44
V. CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS		
V.1.	Adopted	Part I, Section A, Sub-section II, point 10, Section E, Sub-section I, points 89 and 91
V.2.	Adopted	Part I, Section E, Sub-section I, point 91
VI. INFORMATION		
VI.1.	Adopted	Part I, Section C, Sub-section IV, point 56 and Sub-section V, point 59
VI.2.	Adopted	Part I, Section C, Sub-section IV, points 56 and 58

In light of the text of the recommendations, the following recommendations, also referenced in the table above, were not fully complied with. The corresponding explanations are detailed below.

a) Regarding **recommendation II.2.1.** it is hereby clarified that the Audit Committee saw fit to appoint as its Chairman, the Director that undertook that role during the previous mandate, despite the fact that this Director no longer met the objective independence criteria defined in Subparagraph b of Paragraph 5 of Article 414 of the Commercial Companies Code, bearing in mind the high degree of independence shown by the Chairman of this Committee in exercising his functions to date. In the benefit of the Company and its shareholders, the Audit Committee decided to maintain its Chairman.

b) With respect to subparagraph **b** of **recommendation II.3.3.**, it is important to explain that the matter concerning the remuneration of Directors, including the setting of maximum limits for all the components of the remuneration, depends exclusively on the Remuneration Committee, which is a Committee appointed by the General Shareholders' Meeting and independent of the Board of Directors. Thus, the

full compliance with the referred recommendation is within the exclusive competence of the Remuneration Committee. The latter decided not to follow the recommendation, as it recognised that the manner in which the remuneration of Executive Directors is structured is adequate and allows the alignment between the interests of Executive Directors and those of the Company in the long term, being in line with the remuneration practices of similar companies, taking into account the characteristics of the Company.

c) Regarding **recommendation III.3.**: see explanation in the preceding subparagraph.

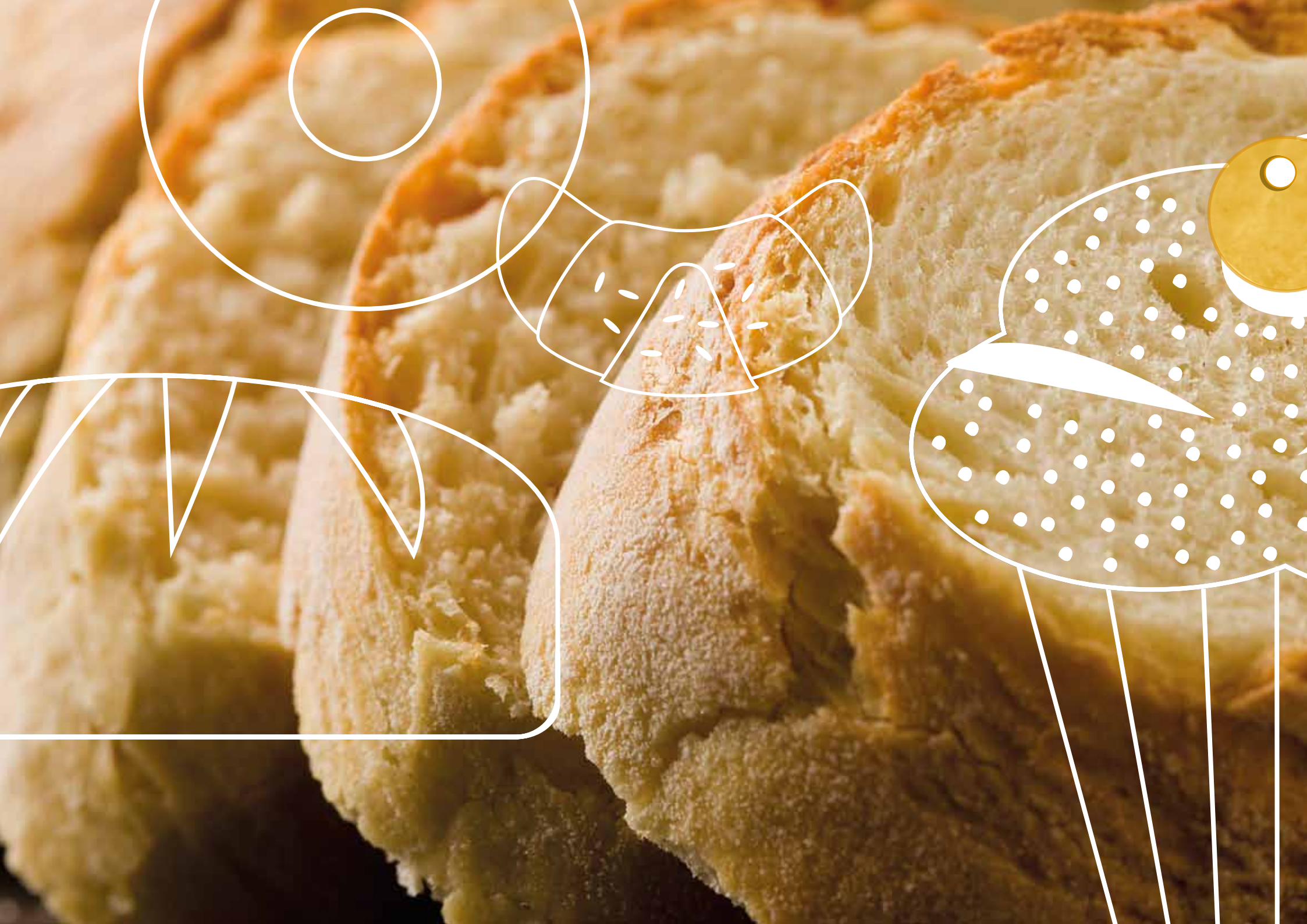
d) In relation to **recommendation III.4.**, it should be noted that the Company's Remuneration Policy does not provide for the deferred payment of all or part of the variable component of remuneration, and the Remuneration Committee believes that it has found, thusfar, the mechanisms that allow the alignment of the interests of the Executive Directors with the long-term interests of the Company and the shareholders, enabling the sustained growth of the Company's business and the corresponding value creation for the shareholders.

e) As regards **recommendation IV.2.**, it is important to explain that in 2011 the Audit Committee established the rules concerning the provision of consultancy services by the External Auditor. These rules determine: i. the possibility of contracting those services, if the auditor's independence is assured; and ii. the obligation to obtain prior approval of the said Committee, from the moment the global amount of fees related to these type of services in that year surpasses 10% of the global amount of fees concerning audit services. The Audit Committee considers that the provision of non-audit services up to the said amount of 10% does not compromise the auditor's independence. Furthermore, the Committee considers this solution as the most appropriate to the Group's geographical multi-location and to the specific needs of its subsidiaries set up in other jurisdictions.

3. OTHER INFORMATION

There is no other data or additional information, which is relevant for understanding the corporate governance model and practices adopted.







IV. HOW WE MAKE A DIFFERENCE

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1. OUR APPROACH

With a history of over two centuries, the Jerónimo Martins Group aims to create value in a sustainable manner, respecting the quality of life of the present and future generations and seeking to mitigate the impact of its activities on the ecosystems. Our Corporate Responsibility is governed by five common pillars.



I - PROMOTING GOOD HEALTH THROUGH FOOD

Promoting good health through food is achieved through two action strategies:

- i. fostering the quality and diversity of the food products that the Group sells; and
- ii. promoting food safety in its broader sense, including the availability, accessibility and sustainability of the products sold.



II - RESPECTING THE ENVIRONMENT

Aiming to promote more sustainable production and consumption practices, the Group has focussed its initiatives on three priority areas: climate change, biodiversity and waste management.



III - SOURCING RESPONSIBLY

The Group's Companies aim to develop long-lasting commercial relationships, seeking to practice fair pricing and actively supporting local production in the countries where it operates, incorporating ethical, social and environmental concerns in its supply chains.



IV - SUPPORTING SURROUNDING COMMUNITIES

We are committed to the communities in the countries where the Group's Companies operate, aiming to promote social cohesion and to break the cycles of poverty and malnutrition, by supporting projects and social causes concerning the more fragile groups in society: children and young people and the elderly.






BEING A BENCHMARK EMPLOYER

By creating employment, we aim to stimulate economic development in the markets in which we operate, seeking to promote balanced and competitive wages policies and a healthy and challenging work environment, by offering the needed setting to their professional and personal development.




VALUE CHAIN AND SUSTAINABILITY

1. NATURAL RESOURCES

-  Biodiversity
-  Sustainable exploitation
-  Local suppliers






2. MANUFACTURING

-  Environmental monitoring
-  Compliance with Code of Conduct
-  Product innovation






3. OPERATIONS

-  Eco-efficiency
-  Employee support
-  Waste collection and recovery from operations and customers





4. CUSTOMER

-  Healthy food
-  Quality and food safety
-  Responsible consumption



5. COMMUNITY

-  Fighting food waste
-  Food donations



FIGHTING FOOD WASTE

We continuously and efficiently monitor the management of raw materials throughout the value chain, with the objective of preventing the production of waste, in an integrated effort to combat food waste:

- Promoting Good Health through Food, by supplying ready-made soups, fruit and salads, through incorporating products that are not standardised for sale;
- Respecting the Environment, by encouraging the reduction of the amount of food waste generated;
- Sourcing Responsibly, by purchasing not standardised size food products, which previously had no economic value. This practice guaranteed the use of over 10,200 tonnes of products in 2015;
- Supporting Surrounding Communities, by donating food to those in need and contributing towards the fight against hunger and malnutrition. In 2015, approximately 9,500 of food products were given;
- Being a Benchmark Employer, through specific training initiatives for employees for identifying, selecting and separating food that is appropriate for human consumption.

2. STAKEHOLDER ENGAGEMENT

As food specialists, our Group believes in creating value through regular and proactive dialogue with its various stakeholders.

In a spirit on continuous improvement we have strengthened our engagement with all stakeholders, using specific communication channels, aiming at ensuring greater alignment with their needs and expectations.

Stakeholders	Interfaces	Communication Channels
Shareholders and investors	Investor Relations Department, Communications and Corporate Responsibility Department and Ethics Committee.	Corporate website, e-mail, Annual Report, financial releases, meetings, conferences, roadshows, Investor's Day and General Shareholders' Meetings.
Official bodies, supervising entities and local councils	Investor Relations Department, Tax Departments, Legal Departments, Communications and Corporate Responsibility Department, Institutional Relations Department and Ethics Committee.	Corporate website, e-mail, meetings and post.
Suppliers, business partners and service providers	Commercial, Marketing, Quality and Food Safety, Environment, Development of Private Brand, Regional Operations, Technical, Expansion, IT Departments and Ethics Committee.	JM Direct Portal, follow-up visits, Quality and Food Safety audits, business meetings and direct contacts.
Employees	Human Resources Department, Training School, Ethics Committee, Communications and Corporate Responsibility Department.	Employee Assistance Services, telephone lines, internal magazines, Intranet, corporate website, operational and management meetings, annual performance appraisal, training sessions, internal environment surveys and "Open Letter".
Customers and consumers	Customer Services, Customer Ombudsman and Ethics Committee.	Toll-free phone lines, e-mail, corporate website and post.
Local communities	Communications and Corporate Responsibility Department, Stores, Distribution Centres and Ethics Committee.	Follow-up visits, meetings, protocols and partnerships/patronage.
Journalists	Communications and Corporate Responsibility Department and Ethics Committee.	Corporate website, press releases, press conferences, meetings and Annual Reports.
NGOs and associations	Communications and Corporate Responsibility Department, Institutional Relations Department and Ethics Committee.	Follow-up visits, meetings and partnerships/patronage.

In order to ensure compliance with the Principles of Corporate Responsibility and in order to disclose and reinforce them, the Committee on Corporate Governance and Corporate Responsibility works closely with the Board of Directors and the Ethics Committee monitors both the disclosure of and the compliance with the Code of Conduct in all the Group's Companies.

The responsibilities of each of these Committees are described at www.jeronimomartins.pt, in the "Investor" area.

The professional social network LinkedIn has been an important vehicle in all the countries, to attract employees and to disclose relevant topics about the Group, including the actions carried out within the scope of the five pillars of Corporate Responsibility. Within this context, throughout 2015, 28 Corporate Responsibility posts were released, resulting in over 950 thousand print-outs¹. The number of followers of the Jerónimo Martins page on this social network was in excess of 50 thousand at the end of the year.

The Jerónimo Martins Group is part of various national and international organisations and initiatives concerning Corporate Responsibility. For further details on our relations with stakeholders and on the organisations the Group is part of, go to www.jeronimomartins.pt in the "Responsibility" area.

¹ This indicator refers to the number of times each post was displayed to LinkedIn users.

3. HIGHLIGHTS



PROMOTING GOOD HEALTH THROUGH FOOD

- The nutritional reformulation of 93 Private Brand products, in Portugal and in Poland, prevented 54 tonnes of fat, 298 tonnes of sugar and 74 tonnes of salt from entering the market;
- Biedronka maintained its offer of new solutions for consumers with special dietary requirements, having increased the assortment of gluten-free and lactose-free products. In total, 13 new references were put on the market;
- In Portugal, Pingo Doce launched seven Pura Vida "0% Lactose" references;
- In the Meal Solutions area, seven vegetarian dishes were developed, which became part of the regular weekly offer of meals in the Pingo Doce restaurants.



RESPECTING THE ENVIRONMENT

- The specific value of equivalent tonnes of carbon, per thousand euros of sales, has decreased 5.8%;
- The specific values of water and energy consumptions, per thousand euros of sales, has decreased 3.5% and 10.2% respectively;

- Within the scope of the Group's participation in the Carbon Disclosure Project (CDP), in the "Climate" segment, the Group obtained a score of 98 points, on a scale from 0 to 100, regarding the level of information disclosed. The performance of its strategy for climate change was classified as B, on a scale from E to A. Since 2012, these classifications have shown an evolution of 44 points and three levels, regarding the information disclosed and the performance of the strategy, respectively.



SOURCING RESPONSIBLY

- The Group's Companies maintained their commitment to sourcing at least 80% of the food products they sell from local suppliers;
- In the CDP's annual evaluation, in the "Forests" segment, where an analysis is made on the strategy for combating deforestation, the Group obtained the "Management" classification, a level below the maximum score, whilst its evaluation for each commodity analysed (palm, soy, beef, wood and derivatives) was higher than the average for the sector;
- Biedronka and Pingo Doce launched five references with UTZ certified cocoa,

a certification programme that promotes sustainable production practices: in Poland, chocolate biscuits, tiramisu and profiteroles; in Portugal, two references of chocolate-covered strawberries.



SUPPORTING SURROUNDING COMMUNITIES

- The support to communities in the sphere of influence of our stores and Distribution Centres amounted to 17.4 million euros, representing an increase of 9.4% compared to 2014;
- Academia do Johnson (Johnson's Academy) was the new community project selected in 2015 for ongoing institutional support. This institution's mission is to combat the social exclusion and school drop-out of around 100 children and young people from very vulnerable communities;
- Biedronka launched the 1st edition of the Children's Literature Prize, with the objective of seeing the birth of new writers and illustrators of children's works and make reading accessible to everyone;
- In Colombia, Ara reinforced its support to the Madres Comunitarias (Community Mothers) project, having reached 147 more nurseries than in 2014. Food was regularly provided to 262 community nurseries for around 3,400 children.



BEING A BENCHMARK EMPLOYER

- 2,464 jobs were created, representing a net growth of 2.8% compared to 2014;
- The Group allocated around 66.7 million euros given in performance bonuses to employees;
- In Portugal, the Fundo de Emergência Social (Social Emergency Fund) has supported 912 employees, that translated into around 2,400 support measures split by food, health, legal and financial advice;
- In Poland, the To School with Biedronka programme began, whereby a contribution was made of 80% of the value of the school books of children of employees with economic difficulties. A total of 2,400 children were covered by this programme;
- The Group has invested over 14.8 million euros in several internal social responsibility programmes within the scope of the Family Well-Being pillar.



4. PROMOTING GOOD HEALTH THROUGH FOOD

4.1. INTRODUCTION

The strategic focus on promoting a healthy diet arises right from the Group's core business.

The commitment to Promoting Good Health through Food is achieved through two common lines of action in the countries where we operate: i. promoting food quality and variety in the offer of Private Brands and Perishables; and ii. promoting food safety.

4.2. QUALITY AND DIVERSITY

In order to achieve high Quality and Food Safety standards of the products we sell, the guidelines in place in Portugal, Poland and Colombia follow three fundamental policies:

- Quality and Food Safety Policy – guarantees a system for continuous improvement in the processes for developing and monitoring Private Brand products and Perishables;
- Nutritional Policy – aligned with the World Health Organization's recommendations, it defines six pillars in the development of Private Brands: nutritional profile, ingredients, labelling, portion sizes, continuous improvement and communication;

- Policy on Genetically Modified Organisms – based on the principle that the Private Brand products do not contain ingredients or additives of transgenic origin and that, should that not be the case, the consumers will be informed on the respective label.

In addition, the Guidelines for Developing Private Brand Products reinforce the principles listed in the Nutritional Policy, defining the following:

- restrictions as to the use of colouring, preservatives and other superfluous, synthetic additives;
- maximum accepted quantities of some ingredients in the products, such as salt, sugar or fat;
- nutritional reformulation strategies;
- packaging material appropriate for contact with foodstuffs;
- principles of nutritional labelling, including information on health, nutrition and the promotion of healthy lifestyles;
- product monitoring plans, namely sensorial tests, audits and laboratory controls.

4.2.1. LAUNCHES

In Poland were launched products that have potential health benefits as well as others that are aimed at people with specific dietary requirements, including the following:

- three Aktiplus natural yoghurt references, with the BB-12® bacteria;
- seven references of natural fruit and/or vegetable juices from the Vital Fresh range, which are sources of vitamins, fibre and potassium;
- ProSerce spread with olives and plant sterols that help reduce blood cholesterol;
- two references of Polaris water enriched with magnesium and with seven added vitamins;
- Herbarium, cistus tea. This plant originates from the Mediterranean and is rich in polyphenols that may act as antioxidants and also strengthen the immune system;
- five references of the Vitalss food supplements, with vitamins and minerals that support different body functions.



KCALCULATION

Biedronka launched the Kcalculation range, following the recommendations of the World Health Organization in its development.

In partnership with the Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition), low-calorie products were developed with the objective of bringing the food portions in line with physical needs. In the case of the snacks, the number of calories is limited to 50 or 100, whilst the ready meals have a limit of 350 calories.

Out of a total of 23 references launched, some examples include two Vitanella dried apple products whose innovative production process avoids deterioration of the nutrients and the use of preservatives.

The Vital Fresh soups were also launched, to which have been added olive oil and that contain no colouring or preservatives, as well as the Bonitki biscuits which contain vitamins E and B1 (thiamin), and the minerals magnesium and iron.



In Poland, references aimed especially at children were launched, which have a nutritional composition providing access to vitamins and ingredients that are essential for growth and bone development.

Examples of this are three Miami cheese references, which are sources of calcium and vitamin D, free from colouring and have only natural flavouring.

In Portugal, the Pura Vida range is aimed at people with specific dietary requirements or preferences, having gluten-free products or those without any added sugar. In 2015, new 14 references reached the market, among which the Cookies de Amendoim (Peanut Cookies) made of wholemeal cereals, without added sugar, containing fibre and high-oleic sunflower oil. As is the case of olive oil, sunflower oil contains mono-saturated fatty acids, which make it healthier and beneficial for good cardiovascular function.

Other Pura Vida range launches include the AntiOx natural juices with fruit produced in Portugal and with vitamin E, which helps to protect body cells against oxidation. Wholemeal lemon and cinnamon biscuits, rich in fibre, chicken meals with fusilli and vegetables and hake with wild rice were also launched onto the market.

Also in 2015 the “0% Lactose” tag in the Pura Vida range was extended throughout the year with seven references, including yoghurts, ice creams and also creamed spinach. Regarding the latter, besides containing 44% spinach, which makes it a source of fibre, it is also gluten-free.

Other low-processed products or those that are beneficial for the health were also launched, such as:

- Gelado de Iogurte Natural Pingo Doce (Frozen Natural Yoghurt), unique in the private brands market in Portugal;
- Iogurte Grego de Morango Pingo Doce (Strawberry Greek Yoghurt) with 14% fruit, free from colouring, preservatives and gluten;
- Bolacha Maria Pingo Doce (Maria Biscuit) dessert, a gluten-free source of calcium;
- Mix Frutos Silvestres Pingo Doce (Mixed Fruits of the Forest) with six varieties of fruit with antioxidant properties, is free from colouring and preservatives and a source of vitamin C;
- various yoghurt references, such as the Magro Limão Pingo Doce (Low-Fat Lemon) fat-free liquid yoghurt without added sugar and the Bifidus yoghurt with mango pulp.

For further information on the products launched in 2015, see the “Responsibility” area at www.jeronimomartins.pt.





4.2.2. REFORMULATIONS

The reformulations strategy focuses on products that might have a positive nutritional impact on public health, such as fast-moving consumer goods and those preferred by children.

In 2015, the following were prevented from entering the market ²:

- 298 tonnes of sugar;
- 74 tonnes of salt;
- 54 tonnes of fat.

In Poland, 45 food products were reformulated, additives of synthetic origin, flavour intensifiers and preservatives having been removed and the levels of salt, sugar and fat reduced.

In total, 11 tonnes of fat, 274 tonnes of sugar and around 70 tonnes of salt were prevented from entering the Polish market.

For example, in three of the Vitarella juice references, the level of sugar was reduced by between 6% and 10%, avoiding around three tonnes of sugar from being placed on the market. The traditional cheese salad from the Tolonis range was reformulated, decreasing the level of salt by 10%, which prevented the consumption of over nine tonnes of salt.

In Portugal, 48 products were nutritionally reformulated, having prevented over 24 tonnes of sugar, around 43 tonnes of fat (including saturated fat) and around 4 tonnes of salt from entering the market.

Two Petit Líquido liquid yoghurt references aimed at children, had their fat content reduced by over 55%, thereby preventing over two tonnes from being placed on the market. Vitamin D, essential for bone formation, was also added to these yoghurts.

In the case of the Morango (Strawberry) reference, the level of fat is less than 14% and the level of fruit is more than 80% compared to the benchmark. The Morango-Banana (Strawberry-Banana) reference also has less than 10% fat and over 15% fruit.

The Puré de Batata Congelada (Frozen Mashed Potato) Pingo Doce and Amanhecer had their levels of saturated fat reduced by around 54%. The Batatas Congeladas Noisette (Frozen Noisette Potatoes) also had milk removed from their composition allowing the consumption from lactose intolerants, and palm oil was replaced with sunflower oil, which enabled the fat content to be reduced by around 27%. We estimate that the reformulation of the three references has prevented 24 tonnes of fat from entering the market.

PALM OIL

In conjunction with its partners from the Consumer Goods Forum, the Group has taken on the commitment to reach “Zero Net Deforestation” by 2020, and so it has been reformulating its products, with a concern for removing palm oil from the composition of its food products, removing it or replacing it with other oils with a healthier nutritional profile. In 2015, eight references from the Group’s Private Brand assortment were reformulated to remove palm oil from their composition.

To find out more about the Group’s position and its actions regarding the origin of palm oil in Private Brand products, see sub-chapter 6. “Sourcing Responsibly”.

4.2.3. PROMOTING HEALTHIER CHOICES

The Packaging Manuals are for disclosing the characteristics and benefits of the Private Brand products, in compliance with the technical and legal requirements. One of the examples is the commitment to clearly and concisely inform consumers on the nutritional composition of the products, providing full nutritional tables with the values per 100 grams and per portion.

² The number of tonnes of sugar, fat and salt removed is obtained using the following calculation method: the quantity of these ingredients present in the formula of the references covered, multiplied by the number of units sold in the year.

In addition, Pingo Doce adopts the principles of the Mediterranean Diet as a differentiating feature for developing its Private Brand products and the meals from the Meal Solutions business unit.

The “Sabe Bem” (Tastes Good) bi-monthly magazine for Pingo Doce customers, with an average print-run of 160 thousand copies, remained one of the means of communication where recipes and articles on this type of diet are provided.

The new in-store leaflets for publicising the Pingo Doce brand launches, communicated the Group’s Nutritional Policy, the brand’s values and the existing offer. Although the Pura Vida products are mentioned in all of them, a specific “0% Lactose Pura Vida” leaflet was created to provide information on new products for those with this intolerance. These leaflets had an average print-run of more than 350 thousand copies.

At www.pingodoce.pt, Pingo Doce provides a list of products without milk and without gluten in their composition, thereby helping people with intolerance to those ingredients in their choice of products. The list is updated on a monthly basis by Pingo Doce’s Nutrition team, in accordance with the results from the analytical control of the Private Brand products.

Within the scope of the partnership between Biedronka and Instytut Żywności i Żywienia (Polish Institute of Food and Nutrition), the 2nd edition of the “Czytaj Etykiety” (Read the Labels) campaign was carried out. This campaign aims to make Polish consumers aware of the importance of reading and understanding the food labels, through in-store communications, on the banner’s website and also in the “Kropka TV” magazine, which has an average weekly distribution of 250 thousand copies. In 50 selected stores, nutritionists gave consultations to provide advice.

The campaign “5 Garści dla Zdrowia” (Fruit and Vegetables, 5-a-Day) that took place in 2015 in conjunction with that institution aimed to raise awareness on the need to eat fruit and vegetables every day. Available for consultation at www.5garscizdrowia.biedronka.pl, this platform has over 18 thousand users, who thereby have access to healthy recipes.

4.2.4. PARTNERSHIPS AND SUPPORT

Within the scope of Promoting Good Health through Food, the Group maintains dialogue with institutions specialised in food, nutrition and health.

Pingo Doce sponsored the 1st Edition of the Food and Nutrition Observatory, resulting in a survey on food consumption habits in Portuguese society.

From the results, which were disclosed in 2015, it was possible to confirm that the strategy for launching and reformulating Pingo Doce Private Brand products is still up-to-date with regard to: i. the nutritional profile regarding fat, salt and sugar; ii. the availability of products that support specific food regimens and also; iii. healthier cooking suggestions, serving dishes with vegetables.

In Poland and Colombia, other partnerships with various institutions continued in 2015, such as:

- Partnerstwo dla Zdrowia (Partnership for Health), with the Milk Start and Snidanje Daje Moc (Breakfast Gives You Power) projects in Poland;
- Instytut Matki i Dziecka (Institute of Mother and Child), to support formulas and tests on products for children and mothers;
- Polskie Stowarzyszenie Osób z Celiakią i na Diecie Bezglutenowej (Polish Association of Celiac Disease Sufferers and a Gluten-Free Diet), to support the development of Biedronka’s Private Brands gluten-free products;
- Instituto Colombiano de Bienestar Familiar (Colombian Institute of Family Well-Being), within the scope of the governmental programme “Madres Comunitarias” (Community Mothers).



4.3. QUALITY AND FOOD SAFETY

We continually invest in the certification and monitoring of our processes, facilities and equipment in order to ensure safe and high quality products. To do so, we rely on external auditors and our Quality and Food Safety technicians to implement the adequate procedures and to assess performance indicators.

In 2015, all the processes with an impact on the stores were reviewed, aiming at their efficiency and simplification by developing IT systems or remote connection systems, enabling data to be collected and handled more quickly.

Taking into account the risk analyses performed in the various countries, control processes were also updated, endeavouring to respond to changes in the product assortment.

4.3.1. CERTIFICATIONS

The following certifications were also renewed/maintained:

- ISO 22000:2005 certification, regarding Biedronka's warehousing, distribution and product development process;
- ISO 9001:2008 certification for the Development of Private Brands in Portugal and Post-launch Product/Supplier Follow-up;
- HACCP certification in accordance with the *Codex Alimentarius* of Pingo Doce's central kitchens in Gaia, Aveiro and Odivelas;
- HACCP certification in accordance with the *Codex Alimentarius* of the Recheio Cash & Carry stores (including the store in Madeira);
- HACCP certification in accordance with the *Codex Alimentarius* of a franchised Recheio store in the Azores;
- HACCP certification in accordance with the *Codex Alimentarius* of the Caterplus Food Service platforms (except the Lisbon platform);
- HACCP certification based on the *Codex Alimentarius* of the Azambuja, Modivas, Guarderas and, as of 2015, the Algoz Distribution Centres.

4.3.2. AUDITS

To guarantee the high levels of Quality and Food Safety of the products sold by the Group, the processes, facilities and equipment are subject to control audits.

DISTRIBUTION POLAND

Internal audits were performed on the stores and the Distribution Centres have been subject to internal and external audits in order to verify the adequacy of the facilities, equipment and procedures.

Stores and Distribution Centres	Biedronka			Distribution Centres		
	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014
Internal Audits	4,814	3,767	+28%	30	30	-
Follow-up Audits	83	58	+43%	-	-	-
External Audits	-	-	-	32	31	+3%
HACCP Performance*	80%	76%	+4 p.p.	95%**	93%**	+2 p.p.

* At Biedronka, HACCP implementation is evaluated based on specific requirements, which in turn are based on the *Codex Alimentarius*.

** In the Distribution Centres, the compliance rate refers to the ISO 22000 - Food Safety Management System certification, which is based on the HACCP principles of the *Codex Alimentarius*.

For the first time, following the introduction of the cutting service and the packaging of meat in 25 stores, analyses were performed on work surfaces, equipment and on handlers, aiming to control microbiological risks. There were a total of 625 analyses.

DISTRIBUTION PORTUGAL

Audits were carried out at Pingo Doce, Recheio and Distribution Centres:

Stores and Distribution Centres	Pingo Doce			Recheio			Distribution Centres		
	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014
Internal Audits	1,176	1,139	+3%	106	89	+19%	16	15	+7%
External Audits	19	45	-58%	36	37	-3%	3	2	+50%
Follow-up Audits	842	870	-3%	102	158	-35%	15	17	-12%
HACCP Performance*	86%	86%	-	81%	78%	+3 p.p.	85%	75%	+10 p.p.

* At Pingo Doce, as at Recheio, the implementation of HACCP is evaluated on specific requirements, based on the *Codex Alimentarius* and appropriate for each of the realities in which the Companies operate.

Pingo Doce, Recheio and the respective Distribution Centres also performed 102,258 analyses, including those on work surfaces, handlers of Perishables and on products handled in stores, the water and the air, in order to reduce microbiological risks. This value represents an increase of 6.6% compared to the previous year, as Pingo Doce opened more stores.

No. Analyses/Samples collected	2015	2014	Δ2015/2014
Surfaces	48,680	47,272	+3%
Handlers	22,387	20,586	+9%
Products Handled	28,559	25,761	+11%
Water/Air	2,632	2,311	+14%

DISTRIBUTION COLOMBIA

In Colombia, internal audits were carried out in the Ara stores and in the Distribution Centres.

Stores and Distribution Centres	Ara			Distribution Centres		
	2015	2014	Δ2015/2014	2015	2014	Δ2015/2014
Internal Audits	100	52	+92%	2	-	100%
HACCP Performance	85%	86%	-1 p.p.	76%	-	-

A total of 930 samples on work surfaces, handlers of perishables, products handled in the stores and on water were also collected. That is an increase of over 133% when compared to the previous year.



4.3.3. ANALYSES

As far as Food Safety is concerned, apart from the audits mentioned in the previous point, the Group carries out laboratory analyses on the Perishables and Private Brand products that are sold by its banners.

DISTRIBUTION POLAND

Number of Analyses/Samples collected	2015	2014	Δ2015/2014
Private Brand - Food	7,724	5,158	+50%
Private Brand - Non-Food	1,295	839	+54%
Fruit and Vegetables	755	669	+13%
Meat	1,233	870	+42%
Bakery	43	15	+187%

DISTRIBUTION PORTUGAL

Number of Analyses/Samples collected	2015	2014	Δ2015/2014
Private Brand - Food	11,968*	11,281*	+6%
Private Brand - Non-Food	3,051	2,822	+8%
Fruit and Vegetables	2,228	2,319	-4%
Meat	1,326	2,334	-43%
Fish	1,281	1,720	-26%
Bakery	599	483	+24%
Meal Solutions	591	721	-18%

* Including routine analyses on the presence of gluten, GMOs, lactose and on the identification of species.

The increase in the number of analyses carried out on Bakery products is due, among other things, to having introduced new references onto the market and having started the process for nutritional profiling. The revision of the annual analytical control plans led to a decrease of the number of analysis carried out in some categories.

DISTRIBUTION COLOMBIA

In Colombia, 392 laboratory analyses were performed on products sold, which represents an increase of 3% compared to 2014.

Number of Analyses/Samples collected	2015	2014	Δ2015/2014
Private Brand - Food	251	278	-10%
Private Brand - Non-Food	99	74	+34%
Fruit and Vegetables	34	5	+580%
Meat	8	21	-62%
Bakery	0	3	-100%

The growth in analysis/samples collected in Fruit and Vegetables was due to increased focus on the presence of heavy metals and pesticides. In the case of meat (chicken), the decrease was due to the fact that there was no study developed about the presence of certain bacteria, which had already been carried out in 2014.

4.3.4. TRAINING

In Poland, training in Food Hygiene and Safety was given to 16,121 employees totalling 43,166 hours of training. These values represent an increase of 41.5% and of 14.5%, respectively, when compared to 2014.

Also in Portugal, 9,607 employees received 42,970 hours of training, a value that represents an increase of around 44% compared with 2014.

In Colombia, training was given to 585 employees, in a total of 2,340 hours.

5. RESPECTING THE ENVIRONMENT

5.1. INTRODUCTION

The Group's Companies continuously seek to minimize the environmental impacts along their respective supply chains as well as to promote more sustainable production and consumption practices.

The Environmental Management practised in the Group is defined in its Environmental Policy, available for consultation in the "Responsibility" area at www.jeronimomartins.pt.

MAIN ENVIRONMENTAL IMPACTS

In 2015, the Group's Companies continued their efforts to reduce the environmental impacts resulting from:

- water and energy consumptions;
- waste production;
- atmospheric emissions and consumption of fossil fuels.

ENVIRONMENTAL AUDITS

In 2015, 370 internal environmental audits were conducted on stores and Distribution Centres (DC) in Portugal and Poland to ensure their compliance with legal requirements and with the Group's internal Environmental Management procedures. This figure represents an increase of 59% compared to 2014. In Portugal, 314 internal environmental audits were carried out, while in Poland this figure amounted to 56 audits.

Corrective actions were defined whenever the score obtained in the audits was less than 100%.

ENVIRONMENTAL CERTIFICATION

The Environmental Management Systems implemented are based on the ISO 14001:2012 international standard. The Group has been constantly investing in the certification of its DC. In Portugal, the number of DC with this certification remained at four (Azambuja, Vila do Conde, Guardedeiras and Algoz) out of a total of nine. In Poland, 13 of the 15 existing DC were awarded this certificate at the start of 2015.

In 2015, all the Polish DC renewed their certification for handling organic products, according to EC Regulation 834/2007.

In Poland, the head-office was once again awarded the "Green Office" certificate by the Environmental Partnership Foundation, a recognition that distinguishes organisations that implement measures in order to reduce their environmental impacts, such as energy efficiency solutions. In 2015, a reduction of 66,307 MWh in energy consumption was achieved in the building.

5.2. BIODIVERSITY

The Group plays a role in protecting the biological diversity on which it depends, identifying opportunities for getting involved and engaging, whenever possible, other partners in the supply chain, such as the suppliers.

In the last five years, the assessment that we made of the risks linked to different ecosystem services

has been based on the Ecosystem Services Review (ESR) methodology, proposed by the World Research Institute (WRI). Reviewed in 2014, 11 priority action areas are currently defined, promoting projects to support the Group's management systems and practice, namely:

- information management;
- training;
- partnerships with suppliers; and
- research and development.

Within the scope of the threats and opportunities identified, and following a study undertaken about the 10 most sold and relevant species of fish in terms of biomass for the Group in Portugal, a risk assessment was also carried out on the species of fish sold in Biedronka. These analyses carried out in Portugal and Poland showed that none of the species are at high risk, after considering aspects such as the level of stock exploitation, impacts on the ecosystems, traceability, the impacts on surrounding communities and working conditions.

With regard to farming, a manual was drawn up along with our partners to encourage sustainable farming practices, curb the loss of biodiversity and eliminate the existence of invasive species. This manual will be tested and validated in 2016 with Portuguese producers, enabling an alignment of training on sustainable farming practices and the future widespread use of the manual by the Group's suppliers.



5.3. CLIMATE CHANGE

Data from the Intergovernmental Panel on Climate Change ³ show that climate change may impact farming productivity and, consequently, price stability and security of supply.

For this reason, the approach of the Group is focused on adopting responsible and proactive behaviour, as seen in the measures to reduce energy consumption and to minimise greenhouse gas emissions from logistics processes or from refrigeration gases, for example, as well as in promoting measures related to commodities which are associated with the risk of deforestation ⁴.

5.3.1. CARBON FOOTPRINT

In 2015, within the entire Group, the carbon footprint⁵ was estimated at 1,100,906 equivalent tonnes of carbon dioxide (CO₂e), which shows an increase of 1.1% compared to 2014 ⁶ which is justified, mainly, by the Group's growth in the number of stores and Distribution Centres. On the other hand, the specific value decreased from 0.086 to 0.081 equivalent tonnes of carbon for every thousand euros of sales.

Carbon Footprint - Indicators	2015	2014	Δ2015/2014
Overall value (scope 1 and 2) ⁷ – t CO ₂ e	1,100,906	*1,088,899	+1.1%
Specific value (scope 1 and 2) – t CO ₂ e/'000 €	0.081	*0.086	-5.8%

* Corrected figures as a result of the external Carbon Footprint certification audit.

Carbon Footprint - Indicators	2015 (t CO ₂ e)	2014 (t CO ₂ e)	Δ2015/2014
Overall Carbon Footprint (scope 1 and 2) ⁷			
• Distribution Portugal	261,921	*316,466	-17.2%
• Distribution Poland	815,770	*770,313	+5.9%
• Distribution Colombia	23,215	*2,120	+995.0%
Carbon Footprint (scope 1 – direct impacts)			
• Leakage of refrigeration gases	158,097	*222,585	-29.0%
• CO ₂ usage	16,646	-	-
• Fuel consumption	48,708	*44,625	+9.1%
• Light vehicle fleet	14,490	15,933	-9.1%
Carbon Footprint (scope 2 – indirect impacts)			
• Electricity consumption (location-based)	729,126	-	-
• Electricity consumption (market-based)	844,116	787,314	+7.2%
• Heating (location-based)	18,849	*18,442	+2.2%
Carbon Footprint (scope 3 – other indirect impacts)			
• Transport of goods to stores (Distribution)	141,304	*140,908	+0.3%
• Disposal of waste in landfills	18,852	47,431	-60.3%
• Organic waste composting	833	-	-
• Energy consumption in franchising stores	10,750	-	-
• Air travel by employees	1,631	2,007	-18.7%

* Corrected figures as a result of the external Carbon Footprint certification audit.

Notes: Calculation of the carbon footprint of the different activities is made using the three levels of the World Business Council for Sustainable Development (WBCSD) Greenhouse Gases Protocol method: direct, indirect and third party. The values presented take into account emission factors defined by the IPCC – Intergovernmental Panel on Climate Change (for refrigeration gases), by the Portuguese Directorate-General for Energy and Geology, by the Environmental Protection Agency and by the Krajowy Ośrodek Błansowania i Zarządzania Emisjami (for fuels and heating), by the International Energy Agency and by the suppliers (for electricity) and in the Greenhouse Gases Protocol (for air travel and waste). The emissions related to the area of Marketing, Representations and Restaurant Services and the Jerónimo Martins Agro-Food dairy products unit were not included (it is estimated that they represent less than 1% of total emissions).

³ Information published in 2014 in the 5th "Assessment Report from the Intergovernmental Panel on Climate Change".

⁴ To learn about our initiatives related to commodities, which are associated with the risk of deforestation, refer to sub-chapter 6. "Sourcing Responsibly" in this chapter.

⁵ The Carbon Footprint values for the year 2015 were verified by PricewaterhouseCoopers consultancy firm, an external and independent body. The document concerning the process of certification is available in the "Responsibility" area at www.jeronimomartins.pt.

⁶ The overall and specific values for 2014 were reclassified compared to those reported in the 2014 Annual Report due to the external Carbon Footprint verification process. This process was carried out by PricewaterhouseCoopers.

⁷ Scope 2 emissions concern location-based (heating) and market-based (electricity) type emission factors, according to the table "Carbon Footprint – Indicators".

5.3.2. WATER AND ENERGY CONSUMPTIONS

The rationalization of water and energy consumptions is one of the Group's commitments in the fight against climate change, encouraging initiatives to minimize inefficiencies in the use of these resources and, as a result, safeguarding their future sustainability and also obtaining financial savings.

The "Water and Energy Consumption Management Teams", a project started in Portugal in 2011, achieved a reduction of these consumptions of 376,119 m³ and 16,564,720 kWh in these five years. This project, which is promoted through monthly challenges and internal benchmarking, has obtained an accumulated saving of over 2.4 million euros since its implementation.

The increases in the consumption of water and energy in Colombia are due to growth of around 65% in the number of stores compared to 2014. Also in Poland the increase of the number of infrastructures as well as the investment in Perishables products led to an overall increase in the consumption of water.

In Portugal, the increase recorded in energy and water consumptions was mainly due to the opening of new Pingo Doce stores.

ENERGY CONSUMPTION

Total consumption	2015	2014	Δ2015/2014
Energy consumption			
• Absolute value - <i>GJ</i>	6,015,375	*6,204,792	-3.1%
• Specific value - <i>GJ/'000 €</i>	0.438	*0.488	-10.2%
Energy consumption per business unit			
• Distribution Portugal - <i>GJ</i>	1,859,034	*1,826,106	+1.8%
• Distribution Poland - <i>GJ</i>	4,053,998	*4,223,774	-4.0%
• Distribution Colombia - <i>GJ</i>	67,046	*33,523	+100.0%
• Others (estimate) - <i>GJ</i>	35,296	*39,156	-9.9%

* The 2014 figures were corrected as a result of the external Carbon Footprint certification audit.

WATER CONSUMPTION

Total consumption	2015	2014	Δ2015/2014
Water consumption			
• Absolute value - <i>m³</i>	2,257,890	*2,161,734	+4.4%
• Specific value - <i>m³/'000 €</i>	0.164	*0.170	-3.5%
Water consumption per business unit			
• Distribution Portugal - <i>m³</i>	1,583,033	*1,578,892	+0.3%
• Distribution Poland - <i>m³</i>	622,378	545,969	+14.0%
• Distribution Colombia - <i>m³</i>	39,230	23,584	+66.3%
• Others (estimate) - <i>m³</i>	13,249	*13,289	-0.3%

* The values of 2014 were corrected.

ALGOZ DISTRIBUTION CENTRE

After nearly two years of operations at the Algoz Distribution Centre in the municipality of Silves and designed to supply the Southern region of Portugal, it is possible to see positive results with regard to energy consumptions.

In 2015, there was a reduction, compared to the same period of 2014, of 10.8%, which is equivalent to an energy consumption of 122 Portuguese households during one year.



RENEWABLE ENERGIES

Technology	No. buildings	Energy saving/ year	CO ₂ saving/year
Lamp posts powered by photovoltaic panels	1	72,000 kWh	36 t
Tubular solar light transporting system	19	119,397 kWh	59 t
Solar collectors to produce hot water used for heating water and/or in the air conditioning system	16	284,505 kWh	120 t
Passive air conditioning through the soil	11	1,159,378 kWh	395 t

Investment in renewable energies, which has resulted in increasing the number of buildings with tubular solar light transporting system, solar collectors to produce hot water and passive air conditioning systems through the soil, has enabled annual savings of over 1.6 million kWh, equivalent to approximately 65 thousand euros.

5.3.3. REDUCTION OF ENVIRONMENTAL IMPACTS RESULTING FROM LOGISTICS PROCESSES

As part of our commitment to reducing the environmental impacts linked to the logistics processes throughout the value chain by minimising the consumption of raw materials and energy resources and reducing the amount of emissions and waste, the following actions were implemented in 2015:

EMISSIONS IN DISTRIBUTION

- In Portugal, 65% of the goods transport vehicles complied with the Euro 5 requirements (197 vehicles) and Euro 6 requirements (18 vehicles). In Poland, 89% of the goods transport vehicles complied with the Euro 5 requirements (763 vehicles) and Euro 6 requirements (160 vehicles);
- in Poland, the first hybrid truck, Fuso Canter Eco Hybrids, part of Biedronka's exclusive fleet, is being tested (the first results show a reduction in fuel consumption). There are also two trucks in this fleet running on compressed natural gas, which has enabled a reduction in emissions of air pollutants;

- the backhauling operation⁸ in Poland entailed a total of 299,892 pallets collected, 160% more than in 2014, which resulted in a saving of 800,505 km and a reduction of 657 tonnes of CO₂ air emissions. In Portugal, this operation involved a volume of 218,189 pallets, leading to a saving of 3,364,369 km, thereby avoiding the emission of the equivalent of 2,923 tonnes of CO₂. This figure showed a 72% reduction in pallets collected compared to 2014.

REUSABLE PACKAGING

In Portugal, the use of reusable plastic boxes in the Perishables and Dairy areas represented 14% of the total boxes handled, 0.4 p.p. less than in 2014. In Poland, a project to use reusable plastic boxes (around five thousand units) to package small electronic equipment was started. In Colombia, the use of reusable transportation boxes for bottled water (over three thousand units) began.

⁸ The backhauling operation consists of route optimization and load maximization, collecting empty pallets on return trips from its stores as well as from the Group's suppliers.

5.3.4. MANAGEMENT OF REFRIGERATION GASES

The Group has been reinforcing the control of leaks, using more efficient technology and co-operating with service providers in the refrigerated and air-conditioned areas, with the aim of minimising the impact of these gases on climate change. Investments in natural refrigeration gases have been made both in Portugal and in Poland:

- in Poland, the 15 Biedronka DC have cooling systems installed with thermal roll-containers with CO₂ snow. In Portugal, the same system is in operation in the Algoz DC;
- cooling technologies running exclusively on CO₂ are installed (three stores in Portugal and two DC in Poland);
- five DC (four in Portugal and one in Poland) have refrigerated warehouses (positive and/or negative cold) with systems running on ammonia combined with glycol;
- there are 101 stores in Portugal which have refrigeration systems using R134a combined with glycol and one store has a cascade refrigeration system (R134a combined with CO₂ gas);
- there are also 150 stores in Portugal which have freezers that use only propane;
- in Poland, the centralized refrigerator system for 700 stores uses the R407F refrigerant gas, replacing R404A, resulting in a reduction of over 50% in GWP⁹ and, therefore, causing less impact on global warming;

- in Poland, three trucks use CO₂ as a refrigerant gas and R404A gas has been replaced by R452A gas in 219 trucks (having a GWP almost 50% lower than the former).

5.3.5. RATIONALISATION OF PAPER CONSUMPTION

Throughout the year, projects were developed aimed at reducing paper consumption and promoting the use of paper from sustainably managed forest resources.

Some measures, such as electronic invoice management, enabled a saving of more than 6.5 million sheets of paper, i.e., a total of 778 trees.

In Poland, the paper used in the central offices is "European Ecolabel" certified and in Colombia, it is manufactured from cane sugar. In Portugal, the paper is Forest Stewardship Council (FSC) certified and comes from suppliers with ISO 14001 certification.

In Portugal and in Poland, the paper used for printing the banners' magazines is Programme for the Endorsement of Forest Certification (PEFC) certified or FSC and/or the companies producing it have ISO 14001 certification. This Report has also been produced at printers with FSC certified paper.

The paper used for brochures for the Pingo Doce banner is "European Ecolabel" or FSC or PEFC certified.

5.4. WASTE MANAGEMENT

The awareness of employees, customers and surrounding communities regarding the prevention and minimization of waste generation, as well as its correct separation, aims to contribute to its recovery and the saving of natural resources.

WASTE RECOVERY RATE

	2015	2014	Δ2015/2014
Distribution - Global	81.9%	82.5%	-0.6 p.p.
Distribution - Portugal	59.2%	58.2%	+1.0 p.p.
Distribution - Poland	88.5%	89.5%	-1.0 p.p.
Distribution - Colombia	85.2%	90.0%	-4.8 p.p.

The waste recovery rate was of 81.9%, a value that represents a decrease of 0.6 percentage points when compared to 2014.

⁹ GWP is the acronym for Global Warming Potential.



5.4.1. CHARACTERISATION OF WASTE

In 2015, the Group produced 387,648 tonnes of waste, which represents an increase of 15% compared to 2014. This evolution was due to the growth of the store network.

Waste	Distribution Portugal (t)		Distribution Poland (t)		Distribution Colombia (t)	
	2015	2014	2015	2014	2015	2014
Cardboard and Paper	32,732	30,106	187,183	163,141	2,089	1,291
Plastic	2,262	2,178	8,583	8,133	126	82
Wood	248	509	1,804	2,079	26	-
Organic Waste	3,888	3,880	64,344	56,757	-	-
Unsorted Waste	41,552	34,680	34,406	27,212	214	131
Cooking Oil and Fats	221	141	-	-	-	-
Waste from Effluent Treatment	4,382	3,557	-	-	176	22
Hazardous Waste	16	8	13	35	-	-
Other Waste	1,492	775	1,891	2,268	-	-

5.4.2. CUSTOMER WASTE RECOVERY

The following were the most important projects in 2015:

- the network of Pingo Doce recycling bins covered 359 stores, which was 90% of the store network;
- coffee capsules and lids/corks/bottle tops that were recovered, resulted in more than three thousand euros being given to charities;
- 96% of the Biedronka stores have recycling bins for the collection of small electrical appliances, fluorescent lamps and batteries;
- 99% of the Ara stores have recycling bins for battery collection.

In total, there was an increase in the number and type of recycling bins available for customers. For more detailed information, go to the "Responsibility" area at www.jeronimomartins.pt.

WASTE DROPPED OFF BY CUSTOMERS IN RECYCLING BINS AT STORES

Waste (in tonnes)	2015	2014	Δ2015/2014
Portugal			
Batteries	22.47	23.12	-2.8%
WEEE ¹⁰ (including fluorescent light bulbs)	96.37	81.67	+18.0%
Used Cooking Oil	110.54	120.06	-7.9%
Printer ink cartridges	5.25	3.44	+52.6%
Capsules	72.57	37.20	+95.1%
Lids, Corks and Bottle Tops	8.89	4.92	+80.7%
Poland			
Batteries	117.24	47.32	+147.8%
WEEE ¹⁰ (including fluorescent light bulbs)	199.61	243.47	-18.0%
Colombia			
Used batteries	0.08	0.43	-81.4%

¹⁰ WEEE - Waste Electrical and Electronic Equipment.

In Portugal and in Poland, the increase in the collection of customer waste is, mainly, due to the investment made in installing recycling bins in Biedronka's and Pingo Doce's stores.

5.4.3. ECODSIGN OF PACKAGING

In collaboration with its suppliers, the Group has been working to improve the eco-efficiency of its packaging according to ecodesign strategies, aimed at:

- reducing the environmental impact of the packaging of items sold by the banners, especially the Private Brands; and
- optimising the costs of production, transport and management of packaging waste.

Products encompassed	Portugal	Poland	Unit
Number of references	184	6	SKU*
Savings in packaging materials	2,411	21	t materials / year
Transport avoided	455	-	t CO ₂ e / year
Packaging with FSC certification	15	-	SKU*

* SKU - Stock Keeping Unit.

5.5. ECO-EFFICIENT INFRASTRUCTURES

The Jerónimo Martins Group's Companies include environmental criteria in their projects for building or remodelling infrastructures, boosting positive impacts and minimising adverse ones.

Biedronka, Pingo Doce, Recheio and Ara have been implementing efficient control systems for chilling plants, more efficient technologies in terms of lighting (LED and skylights), refrigerated displays and freezers fitted with doors and covers and, in addition, automatic management systems for energy consumption.

Biedronka has 13 eco-stores, which include measures for reducing water and energy consumption and for managing waste.

In Portugal, at the Algoz Distribution Centre, all its facilities have been designed to work at high energy efficiency – Class A Energy Certification. All lighting of interior areas of buildings and outdoor areas uses a LED low energy type. In all areas fitted with natural lighting there are sensors that enable the deactivation of artificial lighting when this is not necessary.



“ARCHITECTURE WITH ENERGY” PRIZE

One of the Biedronka stores in the Kujawsko-Pomorskie region was awarded the “Architecture with Energy” prize in the “Public Building” category. This award aims to select the most energy-efficient buildings.

The contest was organized in partnership with the Tilia Association as part of a project entitled “Promotion of renewable energy sources and modern systems diversifying the sources and methods of their use as a protective measure for the natural environment”.

The Polish Association of Architects and the Chamber of Architects of Poland were also involved in the development of the award.

5.6. RAISING EMPLOYEES AND CONSUMERS AWARENESS

Our Group's recognition of the central importance of individual and collective behaviour towards the better management of natural resources, emissions and waste led to the development of various awareness initiatives with our major related parties.

Employees:

- In 2015, another Sustainability Conference was held, aimed at the Group's senior management and strategic suppliers. This meeting brought together approximately 170 participants, who shared their experiences of innovative projects which have resulted in the efficient use of natural resources;
- publication of articles on environmental themes in the in-house magazine "A Nossa Gente" ("Our People"), which is distributed to all employees in Portugal. For example, under the International Energy Year, suggestions for saving energy were included. The stores and DC which performed best in reducing water and energy consumption over the same period and/or with lower consumption/m², were also disclosed. This magazine had a print run of 25,000 copies;

- raising the awareness of the Group's managers in Portugal, Poland and Colombia on various topics related to environmental strategy, through the Corporate Responsibility digital newsletter "Seeds". This bi-monthly newsletter has a readership of over one thousand employees;
- training sessions on best environmental management practices for employees carried out in Portugal, Poland and Colombia, with the number of training hours compared to 2014 increasing by 63%;
- strengthening and periodic disclosure of best environmental practices for employees, particularly in the Pingo Doce and Recheio stores through the documents "Informação de Negócio" ("Business Information") and "Alerta Recheio" ("Recheio Alert"), and in the Biedronka DC through presentations in communal staff areas;
- launch of the "Let's Go Green" project in the Group's headquarters in Portugal, with the aim of fostering the adoption of more responsible practices in the use of energy, water and paper, within which the following initiatives were promoted:
 - monthly publication of newsletters with environmental content;
 - the holding of a paper chase to celebrate "World Environment Day" with a visit to the Monsanto Natural Park, involving employees from head-office and their families (organised in partnership with the Liga Para a

- Protecção da Natureza - League for Nature Protection);
- the holding of an internal workshop on food waste.

Customers and consumers:

- In-store campaigns carried out in Biedronka stores promoting the adoption of best environmental practices:
 - "Em Sintonia com a Natureza" (In Harmony with Nature), which made it possible to collect more than 14 thousand aluminium cans and approximately 17 thousand units of glass packaging;
 - campaign aimed at children to consider suitable management of batteries and the risks arising from not disposing of them properly, carried out during picnics hosted by Caritas Polska which involved approximately 15 thousand children;
- texts showing historical data of the environmental protection carried out by the Company were published on the Intranet in the context of the 20th anniversary of Biedronka;
- regular publication of articles against food waste and promoting environmental and social best practices in the "Sabe Bem" ("Tastes Good") (bi-monthly circulation of 160 thousand copies), "Notícias Recheio" ("Recheio News") (bi-monthly circulation of 40 thousand copies) and "Kropka TV" (weekly circulation of around 260 thousand copies) magazines, aimed at Pingo Doce, Recheio and Biedronka customers, respectively.

5.7. PARTNERSHIPS AND SUPPORT

The Group supported the following initiatives in Portugal, focused on restoring natural *habitats* and protecting biodiversity:

Institution	Project	Amount	Further information at
Oceanário de Lisboa (Lisbon Oceanarium)	Oceanário de Lisboa (Lisbon Oceanarium)	100,000 €	www.oceanario.pt
Quercus	"SOS Polinizadores" (SOS Pollinators)	15,000 €	www.yesweb.pt/polinizadores
World Wildlife Fund (WWF)	"Green Heart of Cork"	10,000 €	www.wwf.pt
Liga para a Protecção da Natureza (LPN)	ECOs-Locais (Local ECOs)	10,000 €	www.lpn.pt
European Recycling Platform (ERP) - Portugal	"Geração Depositário"	5,000 €	www.geracaodepositario.abae.pt

In Portugal, in partnership with Quercus and as part of the "SOS Pollinators" campaign, leaflets were distributed to customers in the geographical area most affected by the Asian wasp (Northern region), warning to the importance of identifying and eliminating this species as a way of conserving bees. Approximately 200 thousand leaflets were produced and distributed in 99 Pingo Doce stores.

In January 2016, the Group awarded the 2015 "Jerónimo Martins-Green Project Awards Prize for Research and Development", with a value of 20 thousand euros. Together with the Green Project Awards Portugal, this sought to distinguish products or processes which have contributed to environmental, social and economically more sustainable solutions.



*In January 2016,
the Group awarded the 2015
"Jerónimo Martins-Green
Project Awards Prize for
Research and Development",
with a value of
20 thousand euros.*



6. SOURCING RESPONSIBLY

6.1. INTRODUCTION

The Group's Companies seek to ensure that their activities stimulate social and economic growth in the regions in which they operate, whilst minimising the impact of its operations on ecosystems.

To enable this, environmental, social and ethical concerns are integrated throughout their value chains, in collaboration with their business partners.

The Sustainable Sourcing Policy of the Group and the Suppliers Code of Conduct are available at www.jeronimomartins.pt, in the "Responsibility" area.

6.2. COMMITMENT: LOCAL SUPPLIERS

The Group, preferably and under equal commercial terms, chooses local suppliers in order to enhance the socio-economic sustainability of the countries where it operates and to minimise the carbon footprint of the products sold.

Importing essentially occurs in the following cases:

- i. when products are scarce due to production seasonality, common in the Fruit and Vegetables area;
- ii. when there is no local production or the quantity produced in the country is insufficient to guarantee the supply to the chain stores;
- iii. when the quality-price ratio of domestic products does not allow the Group's best price quality commitment to its consumers to be met.

In Portugal, 84% of the products sold were sourced from local suppliers. In Poland, this ratio stood at 93% and at more than 95% in Colombia, meeting the target of ensuring the annual purchase from domestic suppliers of at least 80% of the food products.

The Group prides itself on developing lasting relations and co-operation with its producers. These relationships often result in technical follow-up in terms of quality, support in optimising processes, guarantee of supply and stimulating local economies.

Portugal

- In 2015, Pingo Doce and Recheio explored new growth opportunities in the Portuguese market together with

the producers they work with. Varieties underdeveloped in Portugal were sold by the Group's stores, giving customers access to a varied assortment of vegetables and at the same time, stimulating the development of new skills among producers. Products included in this project were round, scratched and yellow *courgette*, scratched eggplant, sweet cucumber and *bimi*, a variety of broccoli;

- we maintained our technical support to Portuguese producers of lamb, veal, pork, chicken and turkey in 2015, promoting the use of cereal-based feed, advising on more efficient management and distribution methods. The lamb sold by Pingo Doce is from animals grazing on natural pastures, in accordance with the assumptions of High Natural Value agriculture and animal husbandry. This concept assumes that low intensity production systems with reduced inputs can contribute towards protecting the biodiversity of the regions where they are implemented;
- regarding fish, the Group maintained a direct relationship with dozens of Portuguese vessels, thereby stimulating local fishing.

The partnership between the Group and a cooperative of fishermen in the area of Sesimbra was maintained, ensuring quality and price



competitiveness, and ensuring traditional fishing practices that enables the sustained regeneration of species.

In 2015, Pingo Doce decided once again to extend by 12 months the extraordinary measure of supporting Portuguese producers of fresh products with whom it works and are members of the Confederação dos Agricultores de Portugal (Portuguese Farmers' Confederation).

This measure consists of Pingo Doce anticipating payment terms to an average of 10 days (instead of the 30 days established by law) and without financial costs to the producer.

Since its implementation in 2012, about 500 producers from the primary sector, particularly fruit, vegetables, meat, fish, cold meat and wine producers, have already benefited from this initiative.

Poland

- One of the Perishables categories in which Biedronka has invested most is that of Fruit and Vegetables,

trying to continuously respond to consumer demand for traditional Polish varieties and, at the same time, complementing the existing supply in the store. This strategy implies knowledge of Polish culture and traditions, something that is acquired through long-standing relationships with various business partners, which takes place through regular visits to production locations and through the sharing of technical knowledge. Throughout 2015 it was possible to find two regional varieties of potato – *Irga* and *Bryza* – in Biedronka stores that usually do not reach the large commercial centres;

- in 2015, Biedronka was pioneer in having the *Malinowe* tomato (raspberry tomato) in supermarkets and it was the only banner in Poland to have this variety in its stores throughout the year. This project was a result of close co-operation between Biedronka and its supplier, who believed and invested in this project. This variety of tomato was very well known regionally in traditional stores but had little visibility in modern stores due to insufficient production;
- inspired by this innovative spirit, Biedronka brought *Antonówka* apples and *Klapsa* pears to its stores after an extended period of testing together with its producers;

- despite Poland being one of the largest strawberry producers in Europe, these were mainly sold in traditional markets due to their very limited consumption lifetime. For this reason, it was hard to ensure sufficient quantities at good quality for sale in Modern Retailing. In 2015, Biedronka established a network of suppliers to reduce the time between harvesting and making the product available in its stores. They sold 300 tonnes of strawberries throughout the season that runs from May to August. One of Biedronka's challenges for 2016 is to increase this network in the regions close to the Distribution Centres (DC), supporting production and ensuring a fresher product for customers;
- also innovative in the Meat category, Biedronka launched free-range chicken onto the market. Based on the experience gained in Portugal in this area, we tried, in co-operation with Polish suppliers, to address the insufficient volume of production by using free-range methods for these birds, bringing free-range chicken eggs from Portugal to Poland. Suppliers have adopted a production system that respects the natural and free growth of the animals.



KUCHNIA PASSIONATA

Kuchnia Passionata or Passion for Cooking is a special range of vegetable products, developed with the aim of promoting the use of traditional Polish varieties in the preparation of meals.

This range results from the co-operation between Biedronka and some producers, in search for solutions for the production of these varieties on a large scale to be sold in stores. The *Irga* and *Bryza* potatoes were the first to be sold in 2015.

These partnerships aim to ensure the sustainability of old varieties of products, providing consumers flavours which were only found in regional markets and encouraging the development of business partners.



Colombia

- Since the start of its operations, Ara has been aiming to establish stable relations and partnerships with Colombian suppliers. In 2015, Ara cooperated with 66 local suppliers which provided more than 409 Private Brand products;
- the 3rd edition of the Ara Private Brand Congress took place in the city of Barranquilla, under the theme “We are Building the Ara Private Brand”, which was attended by approximately 100 local suppliers.

BUYING LOCAL

The Group’s Companies carry out awareness campaigns promoting consumer preference for buying locally sourced products.

In Portugal, national products in Perishables are identified by “O Melhor de Portugal Está Aqui” (The Best of Portugal is Here) stickers. The nationally produced Private Brands products are identified by “Produzido em Portugal” (Made in Portugal) and “Fruta 100% Portuguesa” (100% Portuguese Fruit).

In Poland, domestic products are identified by the “Polski Produkt” (Polish Product) sticker or by the “#jedzcopolskie” (Eat what is Polish) sticker.

In the latter case, focused on fruit and vegetables, Biedronka created the website www.jedzcopolskie.biedronka.pl to promote these products, sharing information on local suppliers and recipes. Additionally,

some products were marked with the hashtag “#jedzcopolskie” and several customers posted more than 300 pictures of their favourite products on Instagram.

A television and radio media campaign was carried out in Poland, and leaflets and posters were used in Biedronka stores to promote the consumption of the *Malinowe* tomato (raspberry tomato), a national product. The campaign also highlighted the co-operative work with one of its suppliers, which resulted in the supply, through a sustainable greenhouse production system, of this variety throughout the year. Biedronka is the Polish chain with the largest market share of this variety of tomato, estimates for which indicate more than 25% of the total market.

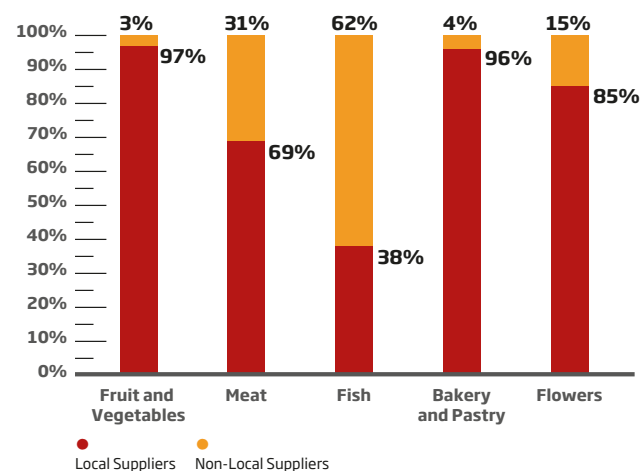
In Colombia, domestic products are marked with the “Hecho en Colombia” (Made in Colombia) sticker and Private Brand products are marked with the “Una Marca de Ara” (An Ara Brand) sticker.

PERISHABLES AND PRIVATE BRAND

Regarding Private Brand, most of the products were purchased from local suppliers, with more than 95% in Colombia, 93% in Poland and between 60% (Pingo Doce) and 72% (Recheio) in Portugal.

The Perishables area shows the same trend, with 68% of products in Portugal being sourced from local suppliers, while this figure reaches 89% in Poland. In Colombia, this ratio is above 95%.

PORTUGAL

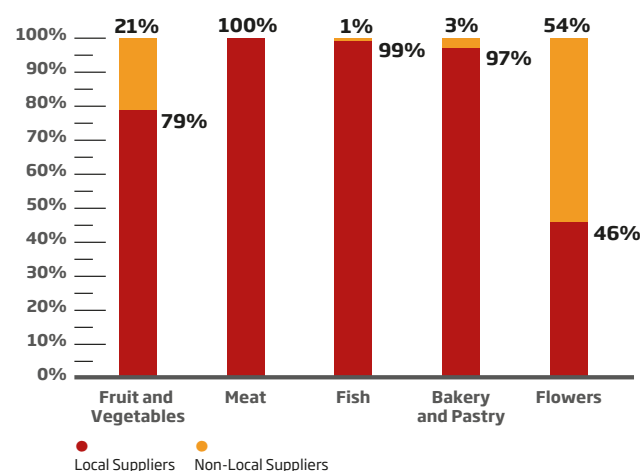


6.3. COMMITMENT: HUMAN AND WORKERS' RIGHTS

In accordance with our Sustainable Sourcing Policy, available at www.jeronimomartins.pt, the Group only uses suppliers who commit to practices and activities that wholly comply with the law and any applicable national and international agreements on Human and Workers' Rights.

The Group is committed to terminate business relations with suppliers whenever it learns that they and/or their suppliers violate Human, Children's and/or Workers' Rights and/or if they do not incorporate ethical and environmental concerns when conducting their business, and/or when they are not willing to draw up a remedy plan.

POLAND



6.4. COMMITMENT: PROMOTION OF MORE SUSTAINABLE PRODUCTION PRACTICES

The Group's Companies choose suppliers which resort to less harmful methods for the Environment, with production methods which aim to minimise the use of chemical products such as fertilisers, herbicides and insecticides, and which also aim to ensure the preservation and improvement of the quality of the soil in the case of agricultural crops.

In order to assess the impacts of deforestation commodities, Jerónimo Martins mapped the presence of these ingredients in the Private Brand and Perishables products sold in Portugal, Poland and Colombia in 2014.

Additionally, the Group's suppliers for which these ingredients have been identified, have been asked

to report on the existence of certification and the origin of these products. The results are reported in the annual response of the Group to the Carbon Disclosure Project (CDP) Forests. The purpose of the Group is to progressively ensure the sustainable origin of these raw materials, in line with the commitment made under the Group's participation in The Consumer Goods Forum. For further details on the Group's actions in this area see www.cdp.net.

In September 2015, Jeronimo Martins Polska, which combines the Group's businesses in Poland, became a member of GreenPalm, an organisation which ensures, along with the certifying body Roundtable on Sustainable Palm Oil (RSPO), that the equivalent volume of palm oil used by a producer in the development of a reference is acquired from sustainably managed sources. In 2016, all the soaps in the Linda range will be re-launched in Poland with the GreenPalm designation.



"SUSTAINABILITY IN THE SUPPLY CHAIN" - 4TH SUSTAINABILITY CONFERENCE OF THE GROUP

The sustainability conferences of the Group aim to raise awareness amongst the managers and strategic suppliers of the three geographical areas regarding the environmental and social issues throughout the value chain.

At 2015 event, which brought together approximately 170 participants, for the first time the Group had some of its suppliers as speakers. They shared both their vision for a more responsible future and their investments in innovative projects which have resulted in efficiency in resource utilisation.

It also illustrated that it is possible to translate the triple bottom line into a business strategy which creates value for the Group, for its suppliers and for its customers, while respecting ecosystems and contributing to the social development of local communities.



In an effort towards the continuous improvement of the sustainability of the products sold, in 2015 Biedronka launched a fresh cod loin with the exclusive brand Polarica, a product certified with the seal of the MSC.

The range of Pingo Doce organic products accounts for a total of 47 Stock Keeping Unit (SKUs) from the Fruit and Vegetables category. All Pingo Doce's organic products are developed by respecting organic production rules, certified by an independent external entity (Ecocert) and show the logo of the European Union, which ensures compliance with the Community Regulation for Organic Farming. In turn, in its Private Brand range, Biedronka launched organic smoked salmon certified by Biocert regarding the Community Regulation (EC) No. 834/2007 for production and labelling of organic products.

Biedronka created a project among horticulturists in Portugal and Poland, in order to be able to offer a variety of traditional Polish garlic - the garlic *Harnas* - in its stores throughout the year, which is much appreciated in that country. The project is certified by SGS to ensure both the origins and the packaged variety.

In 2015, Pingo Doce launched three new cleaning detergent references with EU-Ecolabel certification, adding to the three references launched in 2014.

CERTIFIED PRODUCTS

In Portugal, in addition to maintaining the tuna loin, frozen sardines and the Vietnamese clam packed with the Marine Stewardship Council (MSC) certification, Pingo Doce also has cod (*Gadus morhua*) from Norway with MSC certification. Additionally, 68.8% of the frozen hake that Pingo Doce sells was caught in South African waters by vessels which act in accordance with the standards of this certification. Pingo Doce's canned tuna includes the Dolphin Safe labelling that ensures that there was no accidental capture of dolphins during the fishing process, thereby preserving dolphin sustainability. In 2015, Pingo Doce launched another article with the Dolphin Safe label.

Pingo Doce also maintained five references for “class A” energy-saving light bulbs, branded Home 7. Seven references of Pingo Doce products were also launched, which have Sustainable Forestry Initiative certification (SFI), mainly personal hygiene articles, bringing their number to 26.

Biedronka launched Podpalka w Tubie wood shavings for fireplace that come from forests managed in a responsible manner, a product certified by the Forest Stewardship Council (FSC). The Queen toilet paper has also been certified by the World Wildlife Fund For Nature (WWF).

UTZ CERTIFICATE

For the first time in the Jerónimo Martins Group, five references were launched with UTZ certified cocoa. A UTZ product seeks to demonstrate, through a certification programme, that the raw material (in this case cocoa) was obtained using a sustainable agricultural model.

The UTZ programme allows farmers to implement good agricultural practices while, at the same time, guaranteeing them an improvement in their working conditions and quality of life, as well as protecting the natural resources on which they depend.

Three references (Kruszynki biscuits with chocolate, and Sottile Gusto tiramisu and profiteroles) were launched in Poland and other two in Portugal (Pingo Doce strawberries covered in white Belgian chocolate and strawberries covered in Belgian milk chocolate).



6.5. SUPPLIER AUDITS

QUALITY AND FOOD SAFETY

Perishables and Private Brand suppliers are regularly audited for assessment and follow-ups in terms of management and control processes, the implemented quality system, the product formulation and labour and environmental aspects. The audits are mandatory for suppliers conducting their business in territories where the Group operates.

The supplier evaluations cover a set of environmental requirements, which have a 5% weight in the assessment. These requirements include criteria associated with the management of water, effluents, waste, atmospheric emissions, noise and hazardous substances.

Each supplier is reassessed at predefined intervals based on the score they obtained.

CERTIFICATIONS

As regards to certifications, the Group favours and requires – in the case of foreign suppliers not covered by our internal audit system – a relationship with suppliers who have a Food Safety certification recognised by the Global Food Safety Initiative (GFSI), namely British Retail Consortium (BRC), Global Good Agricultural Practices (Global G.A.P.), HACCP/*Codex Alimentarius* or also ISO.



All potential new Biedronka Private Brand products suppliers must be audited in accordance with the internal criteria of the Jerónimo Martins Group. In the case of suppliers who are not located in the three countries where the Group operates, they must be certified according to the food standards of the BRC, the International Featured Standards (IFS) or the Food Safety System Certification (FSSC) 22000.

AUDITS TO PERISHABLES AND PRIVATE BRAND SUPPLIERS*

	2015	2014	Δ2015/2014
Portugal			
Perishables	802	895	-10%
Private Brand – Food and Non-Food	239	191	+25%
Poland			
Perishables	1,550	1,573	-2%
Private Brand – Food and Non-Food	426**	390***	+9%
Colombia			
Perishables	48	12	+300%
Private Brand – Food and Non-Food	121	81	+49%

* The audits include the following topics: selection, control and follow-up.

** In 2015 a further 2,691 inspections on non-food Private Brand products were also carried out.

*** In 2014 a further 2,502 inspections on non-food Private Brand products were also carried out.

ENVIRONMENT

The Group carried out 37 environmental audits on service providers in Portugal and four in Poland, which aimed at complying with the minimum environmental performance requirements, assessing the performance level and defining an action plan for correcting non-compliances.

In 2015, the level of environmental performance was distributed as follows (for service providers in Portugal): 5% achieved a “High” performance, 92% “Basic” and 3% “Below basic”. All the suppliers audited and classified with a “Below basic” level have received a corrective action plan which must be addressed within a maximum of six months.

The Group reserves the right to suspend its collaboration with suppliers who do not comply with its corrective action plan, and its aim is to carry out a minimum of 40 audits annually to its service providers.

6.6. SUPPLIER TRAINING

In Portugal and Poland, various seminars took place, which were focused on issues of Quality and Food Safety, deepening the co-operation work with the Group’s business partners, especially with regard to discussing areas of improvement and development of innovative products.

In the area of Environment, in 2015, the review of the technical standard on “Environmental Management for Goods and Services Providers” was assured, in order to adapt it to evolving legislation. At the same time, a simplified technical standard for very small businesses (a maximum of 10 employees) and/or businesses with low complexity processes, was developed.

In 2015, a project was developed which involved 77 suppliers from the Fish, Meat and Fruit and Vegetables categories, promoting self-assessment of compliance with the requirements listed in the technical standard. This project also sought to collect information for the definition of a medium/long-term action plan.

In addition, four workshops on this standard took place in Portugal, attended by 68 participants from services providers.

7. SUPPORTING SURROUNDING COMMUNITIES

7.1. INTRODUCTION

Using as guidance the Policy for Supporting Surrounding Communities, which is available at www.jeronimomartins.pt, we aim to contribute towards fighting malnutrition and hunger and to help break the cycles of both poverty and social exclusion in two main groups: the elderly, disadvantaged children and young people.

7.2. MANAGING THE POLICY

The actions developed and supported by the Group are monitored and assessed according to the impact they produce, with a view to efficient allocation of resources to social projects covering the largest possible number of people.

The criteria underlying the methodology of social impact assessment of the London Benchmarking Group (LBG), a corporate network of which the Group is a member, enables the assessment of whether, and at what degree, are social changes achieved.

7.3. DIRECT SUPPORTS

In 2015, the Group remained committed to supporting charitable organisations which carry out work to fight social exclusion.

ACADEMIA DO JOHNSON

The mission of Academia do Johnson (Johnson's Academy) is to combat social exclusion and the dropout of about 100 children and young people from vulnerable communities in the Lisbon region.

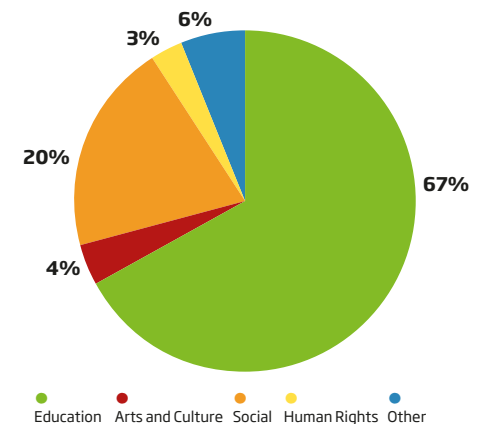
The institution promotes the practice of sport as a means of developing behavioural, social and technical skills that help prevent risk situations in their lives and that enhance their integration into society.



This Academy offers educational, professional and cultural tools provided by trained personnel.

In 2015, the Group support amounted to around 60 thousand euros.

INSTITUTIONAL SUPPORT



Direct support attributed to the surrounding communities by all the Group's Companies amounted to 17.4 million euros, which represents an increase of 9.4% compared to 2014.

At a corporate level, Jerónimo Martins' support is divided according to the graphic above:



The Group supported 40 institutions, donating more than 1.6 million euros, an increase of more than one million euros compared to 2014.

SUPPORT FROM THE GROUP'S COMPANIES

Pingo Doce provided foodstuffs and money to around 600 institutions that fulfil a social mission in the surrounding communities. This support amounted to over 14.6 million euros, an increase of more than 4% compared to the previous year.

Noteworthy was the support for the initiative of the Ministry of Education and Science in Portugal, the Projecto Escolar de Reforço Alimentar (PERA – School Food Reinforcement Project), which aims to provide breakfast to children in situations of food shortage. During the 2014/2015 school year, Pingo Doce supported 1,614 students, in an investment greater than 74 thousand euros.

Recheio donated food products and financial support to the amount of 265 thousand euros to 140 institutions that perform social work.

In 2015, JMDPC, Hussel and JMRS supported the Portuguese Food Bank, among other institutions. Donations of foodstuffs and money amounted to over 294 thousand euros, an increase of 4% compared to 2014. This amount was equivalent to the supply of more than 47 tonnes of products.

In Poland, the amount of support to institutions that help to fight hunger and malnutrition was over 575 thousand euros (around 2.5 million zlotys).

As part of International Children's Day, more than 200 thousand children had the opportunity to enjoy various entertainment activities and foodstuffs offered by Biedronka, representing an investment of over 185 thousand euros.

Biedronka also supported the organisation of charitable events such as World Day of the Sick and Saint Nicholas' Day, supporting communications campaigns and donating food products.

Other support from Biedronka included working with the association "Hope for the Euro", a partnership established in 2011 that aims to support the development of 400 institutionalized children from families with economic difficulties, representing a total investment of 45 thousand euros.

Ara continued its support to Abaco - Asociación de Bancos de Alimentos de Colombia (Colombian Association of Food Banks), the mission of which is to establish strategic alliances with public and private partners to fight against hunger and food waste. In 2015, Ara donated food products equivalent to over 33 thousand euros.



MADRES COMUNITARIAS

In Colombia, Jerónimo Martins continued its support to *Madres Comunitarias* (Community Mothers), a governmental initiative aimed at providing foodstuffs to the nannies who take care of children up to the age of five in regions with low financial means.

In 2015, this programme expanded to another 147 nurseries, regularly supplying foodstuffs to a total of 262 community nurseries and fulfilling the aim of supporting two nurseries for every new Ara store opened. The number of children covered also increased by over two thousand to around 3,400 children. The value of the baskets amounted to more than 77 thousand euros and represented a supply of 84 tonnes of food.

The support given by Ara is monitored by the nannies through representatives of the Instituto Colombiano de Bienestar Familiar (ICBF – Colombian Institute of Family Well-being), who check the correct routing of the foodstuffs, as well as the mental and physical well-being of the children who benefit from the programme.

In 2015, 12 workshops took place, in which 480 community mothers were introduced to the programme model.

Other workshops were promoted with the community mothers of the programme to raise awareness of the methods of handling foodstuffs and the need for children to have a balanced and controlled diet.

7.4. VOLUNTEERING AND OTHER CAMPAIGNS

The Group's employees participated, during the 2014/2015 school year, in the programmes of Junior Achievement Portugal, an association whose objective is to foster entrepreneurship among children and young people by teaching on topics such as relations with family and the community, economics, the European Union and even on how to set up a business. The number of employees who participated in the 2015/2016 school year stood at 130 volunteers.

During the Christmas season, an internal welfare campaign was organised with great success, with the aim of offering gifts to 122 children until the age of 13, living in foster homes supported by the Group throughout the year.

There was also a fundraising campaign for the Caritas' Setúbal Diocese which was promoted during the Christmas Dinner, under the matching donation initiative, among the about 780 managers and Group's Management.

7.5. INDIRECT SUPPORTS

In 2015, the Group's banners carried out campaigns to collect food and other articles from customers in their stores.

At Pingo Doce, volunteers collected approximately 923 tonnes of food for the Portuguese Food Bank. For this and other institutions, such as C.A.S.A. - Centro de Apoio ao Sem Abrigo (Centre for Supporting the Homeless) and ACAPO - Associação dos Cegos e Amblíopes de Portugal (Blind and Partially Sighted Association of Portugal), vouchers

convertible into foodstuffs were raised among consumers to the amount of over 153 thousand euros, which translates into approximately 100 tonnes of products.

In Poland, in cooperation with the Federation of Polish Food Banks and Caritas Polska, Biedronka stores collected over 1,150 tonnes of foodstuffs donated by its customers.

In Colombia, Ara raised an amount of over 32 thousand euros among its clients to support the Fundación Aldeas Infantiles SOS Colombia (SOS Children's Villages Colombia Foundation), which helps more than 950 children and 675 families in the municipalities of Ríosucio and Bolívar. The number of children supported in 2015 has more than doubled over the previous year, following the expansion of Ara to the Caribbean Coast.

7.6. OTHER SUPPORTS

In Poland, as part of its partnership with Danone, Lubella and Instytut Matki i Dziecka (Institute of Mother and Child), - "Partnerstwo dla Zdrowia" (Partnership for Health) - more than 1.6 million units of Milk Start were sold every month at cost price. This project, initiated in 2006, aims at combating malnutrition of the most underprivileged Polish children. Over the past 10 years, approximately 200 million units of this range of products have been sold, the nutritional profiles of which meet the daily needs of children.

As part of this partnership, the awareness programme on the importance of breakfast - "Śniadanie Daje Moc" (Breakfast Gives You Strength) - has been extended to 7,300 schools, which account for more than half of all the primary schools in the country, involving more than 182,500 children.

PINGO DOCE AND BIEDRONKA CHILDREN'S LITERATURE PRIZES

The Pingo Doce and Biedronka Children's Literature Prizes have the aim of encouraging literary and artistic creativity, rewarding original works and democratising access to reading at an important stage in the cognitive and emotional development of children.



In Portugal, there was the 2nd edition of the Pingo Doce Children's Literature Prize which had more than three thousand participants for a prize of 50 thousand euros, divided between the winners of the text and illustration categories.

The number of copies sold of the winning work of the 1st edition of this prize was more than 10 thousand units.

In Poland, there was the 1st edition of the Biedronka Children's Literature Prize, with over five thousand works submitted and a monetary value equivalent to that of the Pingo Doce prize, also to be split by the winners of the text and illustration categories.

8. BEING A BENCHMARK EMPLOYER

8.1. OUR FIGURES

In 2015, the Group created 2,464 jobs, representing a net growth of 2.8% compared to the previous year. More than a thousand internships and on-the-job training initiatives were also provided in the Group's different Companies.

The main indicators for the Jerónimo Martins team in 2015 are:

- 89,027 people: 56,922 in Poland, 30,399 in Portugal and 1,706 in Colombia;
- 77% are women;
- 67% of the management positions are held by women;
- 13% are under 25 years of age; 42% are aged between 25 and 34; 31% between 35 and 44; 11% between 45 and 54; 3% are aged 55 or over;
- 85% are hired on a full-time basis;
- 66% are permanent staff.

The Group maintained the investment in training and developing its employees and in extending the programmes in the Internal Social Responsibility area, especially reinforcing the "Health" pillar.

Also worth highlighting is the extension of the co-operation with various entities and organisations with

a view to including more vulnerable social groups within the population in terms of access to the job market.

8.2. PRINCIPLES AND VALUES

The Group's Code of Conduct was revised, aiming to ensure that it is adapted to the constant evolution of the social, labour, technological and business realities in the various countries in which the Group operates.

Through the various principles and values reflected within the Code, which can be viewed in full on the Group's website at www.jeronimomartins.pt, it serves as guidance for employees on their conduct when carrying out their daily tasks, regardless of their position within the organisation.

ABIDING BY THE LAW

As set out in the Code of Conduct, the Group operates in accordance with the applicable national and international legislation regarding human and workers' rights, such as meeting the established advance notice deadlines with regard to changes of an operational nature and abiding by the guidelines of the United Nations Organization and the International Labour Organization.

RESPECT FOR HUMAN AND WORKERS' RIGHTS

We respect equal opportunities, forbidding any discriminatory practice at any stages of the employee's "life cycle". The recruitment, selection, professional development and the performance appraisal processes are based on a culture of the people's merit, justice and dignity.

The Group does not hire under-age employees and the risks arising from child labour and forced labour are duly safeguarded. In the same way, in the countries where the Group operates, the rights of indigenous people are in no way put at risk and human rights are equally protected.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Jerónimo Martins respects Freedom of Association and Collective Bargaining, as well as union activity, within the terms set out in the applicable legislation, such freedom being reflected in its Code of Conduct.

The collective bargaining agreement negotiated between the parties, only existing in Portugal for the time being, covers more than 90% of the employees.

8.3. COMMUNICATION WITH EMPLOYEES

In Portugal and in Poland, we provide Employee Assistance Services for clarifying any work-related issues and for receiving requests for social support.

These communication channels are essential for reinforcing the employees' relationship of trust with the Group and for fostering continuous improvement to their quality of life.

In 2015, the Employee Assistance Service was re-launched in Poland, aiming to ensure that all employees had knowledge of it and to communicate the assurance of confidentiality, independence and impartiality regarding the receipt and handling of the contacts received, in line with the internal procedures in place within the Group.

In Colombia, a *Convivencia Laboral* Committee (Committee for Labour Coexistence) is in place, in accordance with the applicable legislation, aimed at receiving and resolving employees' complaints, including cases of alleged or possible discrimination.

	Employee Assistance Service	
	No. of Contacts/ Procedures Initiated	% of Procedures Concluded
Portugal	11,962	99.9%
Poland	3,984	93.9%

The Group's principles and values are disclosed and disseminated throughout the entire organisation using internal means of communication, such as the "A Nossa Gente" ("Our People") magazine and the monthly communication "Carta Aberta" ("Open Letter") in Portugal and the magazine "Nasza Biedronka" ("Our Biedronka") in Poland.

With the objective of ensuring that employees are involved in and are promoting their participation in the life of the Group, a website was launched in Portugal - www.orgulho.pingodoce.pt -, where employees tell their stories, at first hand, about their reasons for being proud to belong to Pingo Doce, using videos, features and testimonials.

8.4. RECRUITMENT AND INTERNAL MOBILITY

With the objective of guaranteeing the attraction and retention of the talent needed to assure the Group's

growth and to respond to the dynamics of its businesses, both the external recruitment and the internal mobility processes were standardised.

As such, with regard to the recruitment and mobility processes, the structure and content of the induction programme was made more robust, aiming to boost the transferral of knowledge and to transmit the Group's values and culture, in order to increase the feeling of belonging right from the time of joining or when changing position.

Around 42 thousand employees changed position, their place of work or joined a new Company within the Group. There were around 7,800 promotions in the stores, Distribution Centres and head offices. At the end of 2015, the Group had 30 employees who were on international assignments.

MANAGEMENT TRAINEE PROGRAMME AND INTERNSHIPS

The Management Trainee Programme (MTP) is considered to be the Group's most strategic talent attraction programme and has been in existence for almost three decades. It is an important professional opportunity for young graduates who want a professional career path, which combines training tailored to the needs of the business with on-the-job training.



It was implemented simultaneously in the three countries for the second consecutive year and enabled 36 trainees to join in 2015.

The Summer Internship Programme that took place in Portugal and in Poland also enabled 110 interns to take part during the months of July and August. After this period, some of these young students remain involved with the Group's projects and could, in the near future, join the MTP.

In Poland, the Student Ambassador Programme was reactivated, whereby a group of 10 students promoted actions in seven university centres, publicising Biedronka's attraction programmes.

EMPLOYER BRANDING

The Group carried out various events and workshops in universities, aimed at reinforcing its presence in the job markets where it is present. Such activities were aimed not only at courses traditionally related to the business but also to courses in engineering, technologies, science, arts and humanities, promoting diversity in academic backgrounds as a driver of innovation.

DEVELOPMENT AND COMPENSATION

The Group believes that the professional development of the employees is the most important human resources process.

After building a global development model, this new approach to managing talent, aligned with international best practices and tailored to the Group's principles and values, began to be implemented for some segments of managers.

The approach will enable internal talent to be identified and mapped out and the creation of development programmes aligned with the individual profile – motivation and competences – and with the needs of the business. Over the next three years, this new internal talent mapping approach will cover all the Group's managers.

It should be noted that all the Group's employees are assured an annual performance appraisal process, including the identification of development and training opportunities.

As far as remuneration is concerned, promoting balanced, fair and competitive salary policies and practices within the scope of the Global Compensation Policy, enables the Group to maintain its positioning as a benchmark

employer. This positioning means for example maintaining a policy for a minimum wage above the national minimum wage.

And as remuneration is essential for attracting and retaining talent at all levels of the organization, an internal and external analysis was performed aimed, on one hand, at making a diagnosis of the fairness and competitiveness of our salary policy compared to that practised in the local markets, and on the other hand at aligning our internal policies with the best market practices, making them suitable for the Jerónimo Martins Group's strategy and culture.

To do so, a salary review model was developed and implemented, which aims to foster internal fairness.

As, above all, internal mobility between the different countries plays a crucial role in the development of our people, a compensation and benefits policy for international mobility was defined.

As far as compensation and benefits are concerned, the models for attributing internal bonuses were revised and others were implemented, with the objective of rewarding merit and performance. Within this context, in 2015 the Group attributed approximately 66.7 million euros in bonuses to its employees.

TRAINING

The continuous investment in training is the result of having recognised its strategic importance for the business and its ability to reinforce our competitive advantage, providing our employees with the necessary knowledge to face the Group's future challenges.

Globally, a new edition of the Strategic Management Programme took place, an intensive programme undertaken at Universidade Católica in Lisbon and at Kellogg School of Management in Chicago. 41 participants from the three countries participated in this executive programme, which was tailored for the Group and aims at reinforcing the organisational culture, at developing knowledge-sharing and also at contributing towards a spirit of innovation.

Within this context, various partnerships with benchmark training entities were consolidated. In Portugal of note are the Católica Lisbon School of Business & Economics, with which the second tailored edition of the General Management Programme in Retail was carried out, and the Nova School of Business & Economics. In Poland, Warsaw University and Kozminski Academy are worth a special mention. At an international level, of note are the University of Stanford, INSEAD, London Business School,

Kellogg School of Management, Babson College and also Instituto Internacional San Telmo.

At the corporate level, a new training programme was implemented, called Leading HR into 2020, which covered three common and strategic topics for the Group: Ageing Workforce, Mixed Generations and Workplace 2020. Those topics were developed by multidisciplinary teams of Human Resources professionals.

Also of note are other actions, such as the first edition of Business Talks, an initiative which opens up a broad space for debating ideas where two important topics for our business were presented: "Evolution of the Private Brand" and "Trends in Cooking and Perishables" and also the continuation of Share Talks, a differentiating format that began in 2014 for sharing knowledge, under the title Fresh Food Lovers.

Continuing with the partnership established between the Group and the University of Aveiro, this year the degree in Commercial Management had 180 enrolments, having promoted open classes and visits to companies. Internship opportunities and a Tutoring Programme were also created. This academic year saw the implementation of the Jerónimo Martins Award, attributed to the two best students.

In Portugal, the Jerónimo Martins Training School maintained the following employee management and leadership competency development programmes:

- Thinking and Participating as a Trainer programme – the Coaching for Leadership and the Personal Effectiveness modules were designed and put into operation. These modules, aimed at the Pingo Doce store' Management teams, involved around 490 employees;
- PAGL – Advanced Store Management Programme and PGGL – General Store Management Programme – a total of 296 trainees from Pingo Doce were enrolled. The PGGL, aimed at future Heads of Perishables from Recheio, enrolled nine trainees.

With the objective of qualifying operators for the Perishables areas, the different Pingo Doce regions put into operation various courses for operators in the Butcher's, Bakery, Delicatessen and Take-Away, Fishery and Fruit and Vegetables areas. There were 1,002 participants on those courses, with a total of 231,730 hours of training.

Training in Perishables, considered to be a strategic business area, has a team comprising 38 permanent trainers. In 2015, 520,190 hours of training were recorded, covering 6,893 employees.



With the objective of reinforcing customer service quality as a means of differentiating from competition and as a key factor for customer loyalty, we continued the 5 Star Service, a project for developing and implementing a culture of service.

In 2015, the This Pingo Doce has a 5 Star Service project was developed, aimed at 10 pilot stores. Around 170 employees received training within this project, resulting in a volume of 1,600 hours of training.

In Poland, training programmes for senior managers were conducted, covering around 116 professionals, which included 360° assessment sessions.

Within the scope of the Management Academy leadership development programme, 190 new managers were trained, including new area managers.

The Biedronka Management Academy has continued with its purpose of developing technical training programmes for store managers and deputy store managers, which included 571 and 1,278 employees, respectively. Equally of note is the store training course, which included 482 store managers and cashiers. The Perishables School was also responsible for training around 13,400 store operators.

In Colombia, the year was marked by the implementation of an on-the-job training model, complemented by placing televisions in the stores to broadcast videos with a technical content aimed at employees that had recently joined and employees who had started new professional challenges as a result of promotion or internal mobility, especially store managers and operators.

To ensure the quality of product handling in the operation, 587 employees were trained in the best existing techniques.

Also in Colombia, a programme called Trainer of Trainers began, aimed at a total of 279 employees who hold management positions, and a leadership programme aimed at 70 employees, covering all the critical positions in the operations.

Training Indicators	2015	2014	Δ2015/2014
Total No. of Sessions	49,752	45,942	+8%
Training Volume *	2,605,285	2,876,837	-9%

* Training volume = No. training hours x No. employees in training

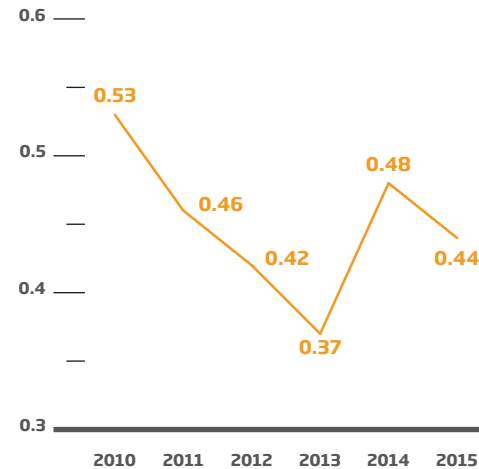
PROGRAMMES FOR JOINING THE JOB MARKET

The Group has maintained various partnerships with organisations and teaching establishments in Portugal, aimed at providing the possibility of on-the-job training for certain groups of especially vulnerable citizens in terms of access to the job market, where the following protocols are highlighted:

- Serviço Jesuíta aos Refugiados (JRS - Jesuit Refugee Service) - within the scope of the Capacitação 4 Job Programme (Training for Job) financed by the European Economic Area Grants, a fund managed by Fundação Calouste Gulbenkian, 36 young migrants had access to practical on-the-job training in Pingo Doce stores or in the Odivelas Central Kitchen, along with a personal development path, which includes learning the Portuguese language and culture developed by that institution.
- Casa Pia de Lisboa - during the 4th year of co-operation, seven young people had access to on-the-job training.
- Associação Portuguesa do Síndrome de Asperger (APSA - Portuguese Association of Asperger Syndrome) - by integrating two young people in practical on-the-job training.
- Aldeias SOS (SOS Villages) - five young people had access to practical on-the-job training in Pingo Doce stores.

AGGREGATE SAFETY IN THE WORKPLACE INDICATORS

SEVERITY RATE



- Rumo, Cooperativa de Solidariedade Social (Social Solidarity Cooperative) – five young people had access to practical on-the-job training in Pingo Doce stores.
- Instituto do Emprego e Formação Profissional (IEFP – Portuguese Institute of Employment and Professional Training) – through which more than 70 trainees had access to curricular internships requested by the Job Centres.

In Colombia, the partnership with SENA – Servicio Nacional de Aprendizaje (National Learning Service) enabled 30 students to have on-the-job training at Ara.

8.5. SAFETY IN THE WORKPLACE

Zero Accidents Tolerance is the commitment undertaken by the Group in order to promote safety in the workplaces, adopting a strategy for prevention.

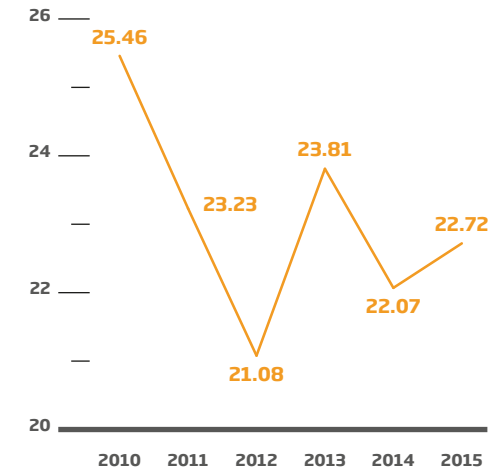
In Portugal, various initiatives were developed with the objective of promoting a culture of safety within the Group, including the commemoration of Safety Day, marking the World Safety in the Workplace Day, the attribution of the Prevention and Safety in the Workplace Award recognising the employees with the best performance in adopting prevention measures, and themed workshops.

In addition, the procedures relating to employee induction were reviewed for their content to be in line with the above-mentioned topics.

In the other countries, the strategy for preventing workplace accidents and occupational illnesses was maintained.

In Poland, the prevention and training especially developed for Distribution Centres are worth mentioning.

FREQUENCY RATE



In Colombia, a psychosocial risks questionnaire was implemented having an answer rate of over 60%. This questionnaire had the objective to establish an action plan that aims to prevent these types of risks in the Company.

	Training hours on Safety in the Workplace	Simulations	Audits
Portugal			
Distribution	3,200	249	520
Restaurants and Services	24	0	68
Poland	31,906	130	1,401
Colombia	108	98	108

In 2015, 24,313 health check-ups were carried out in Portugal, 54,873 in Poland and 1,487 in Colombia.



8.6. INTERNAL SOCIAL RESPONSIBILITY

Through the Internal Social Responsibility area, the Group maintains its contribution towards the continuous improvement of the quality of the lives of the employees and their families.

Following the survey conducted in 2014, we gauged the employees' satisfaction with the measures developed and we mapped out their main needs. In Portugal, the investment in Health was the main priority.

In Poland, the 18 programmes were maintained, divided between the Health, Education and Family Well-Being action pillars.

HEALTH

The *Mais Vida* (More Life) programme, created in partnership with the Fundação Champalimaud and the Portuguese Red Cross, provides complementary support to employees and members of their families suffering from cancer. Through this programme, employees, spouses and children benefit from the services of a second medical opinion at an international benchmark institution, from psychological support for the entire family unit, from transport for consultation and/or treatment and also from home support.

The *Famílias Especiais* (Special Families) programme was launched aiming at families with children and young people with neurological diseases, providing answers and effective support that is complementary to that offered by the National Health System. It includes three main aspects: complementary therapies (Hydrotherapy and Riding Therapy), therapies at home (Physiotherapy, Speech Therapy and Occupational Therapy) and rest for the carer at home. This investment aims to contribute towards increasing the quality of life of employees and their children with special needs, as well as fostering their dignity and well-being.

A protocol with a wider scope was established with the Grupo Lusíadas Saúde, with a view to providing access to speciality consultations and treatment at competitive prices, at a benchmark health group in Portugal. This was widely used by the employees, especially regarding access to gynaecology and obstetrics, dermatology and ophthalmology consultations.

In 2015, the 3rd edition of the "SOS Dentista" (SOS Dentist) programme took place. Its objective is to support employees with lower incomes in carrying the burden of their dental treatment and to promote oral health, as such enabling an improvement of their quality of life. In this edition, 1,800 enrolments were registered.

The challenge of growing up represents a phase of change and adaptation for children and young people, which

sometimes creates difficulties for the children and the parents. Being aware of this, we extended the *Programa de Psicologia Infantil e Juvenil* (Child and Juvenile Psychology Programme) to the district of Porto so that it is now present in the two largest regions of Portugal. Within the scope of this programme, 106 children/young people received follow-up.

In Poland, the Let's Take Care of Our Health programme enabled more than 4,400 employees to have access to free health screening, notably for breast cancer, cervix cancer and prostate cancer, cardiovascular diseases and to have clinical analyses, as well as access to general practitioners. In 2015, the employees benefited for the first time from Ophthalmology and Dentistry consultations and from telephone consultations in Nutrition and Psychology.

The programme of free seasonal flu vaccination covered 585 employees.

Also in Poland, the Programme for Supporting Children with Special Needs on a Medical Level includes access to medication, rehabilitation, surgery, psychological help for the families and participation in holiday camps for rehabilitation concerning autism and physical disabilities. In 2015, a rehabilitation camp for children with respiratory problems was organised. Around 90 children participated in the above-mentioned holiday camps.

In 2015, more than 1.3 million euros was invested within the scope of this pillar.



EDUCATION

In Portugal, we launched the 4th edition of the *Bolsas de Estudo* (Scholarship) programme, which is for employees and their children who, despite not having the financial means, wish to enrol or re-enrol in higher education. 88 scholarships were attributed for the 2014/2015 academic year. Since being launched in 2012, 242 scholarship holders have benefited from this measure.

Within the scope of the *Regresso às Aulas* (Back to School) campaign, 5,100 school kits were offered to children of employees in Portugal and Poland who started the 1st year of primary school.

In Poland, the To School with Biedronka programme was launched, whereby a contribution was made of 80% of the value of the school books of children of employees with economic difficulties.

Also within this area of action, we promoted *Campos de Férias de Verão* (Summer Holiday Camps) in Portugal and in Poland, in which over 2,300 children participated. Also noteworthy is the *Campo de Férias em Inglaterra* (Holiday Camp in England) in which 44 children of employees participated from both countries.

In 2015, more than 1.3 million euros was invested within the scope of this pillar.

FAMILY WELL-BEING

In the Family Well-Being area, we celebrated Children's Day and Christmas by offering a total of 116,975 presents in Portugal and in Poland, 50,390 on Children's Day and 66,585 at Christmas. In 2015, some changes to the *Kit Bebê* (Baby Kit) were introduced in Portugal, notably handing over a 125 euros voucher to buy nappies and baby milk. In Portugal and in Poland 4,278 kits were attributed.

In Portugal, the *Fundo de Emergência Social* (FES - Social Emergency Fund) supported 912 employees, corresponding to around 2,400 support measures divided between the areas of food, health, education, legal advice and financial guidance. Compared to previous years, there was an increase in the support in the health area to the detriment of food support.

The FES has a network of 142 voluntary employees - the Ambassadors - who provide on the-ground follow-up to the employees supported by this Fund. The Ambassadors receive the technical and behavioural training they need for their mission. This training is complemented by a newsletter which, among other topics, provides information on the State responses to the problems identified and discloses a bi-monthly report on the current situation of the cases being followed-up.

In Poland, the *You Can Count on Biedronka* programme supported more than 8,000 employees in situations of economic difficulty.

Also in Poland, several of our employees' sports activities were sponsored, notably football or volleyball, thereby aiming to encourage them to play sports and have a healthy lifestyle.

In 2015, over 14.8 million euros was invested within this pillar.

8.7. CORPORATE CULTURE AND ENGAGEMENT


The main objectives of the Corporate Culture and Engagement area are to reinforce the Group's culture and values, the feeling of belonging, employee motivation and to develop all the internal communication supporting Human Resources.



In 2015, the first "Organisational Environment Questionnaire" was carried out amongst employees of all the Companies in Portugal. With a response rate of 85%, this questionnaire enabled us to actively listen to the employees, to find out their level of commitment, to gauge the best practices in existence within the organisation and to identify the key areas to be improved, both globally and locally.

The same questionnaire will be implemented in Poland and Colombia in the following years.





9. COMMITMENTS FOR 2015-2017

Action pillars	Commitments for 2015-2017	Progress
 <p>Promoting Good Health through Food</p>	<p>Further improve the nutritional profile of the Private Brand products, through product innovation and reformulation and in the Meal Solutions meals.</p>	<p>In progress. In 2015, as part of the Meal Solutions business unit, the amounts of fat, salt and sugar in the recipes were analysed in order to reformulate them. Based on the Mediterranean Diet, the fats considered saturated have been replaced by olive oil. It was thus possible to avoid placing over 670 kilograms of fat on the market. The salt content has also been reduced in certain meals, such as soups, avoiding 3.7 tonnes to be put on the market.</p> <p>For detailed information on the innovation and reformulation of Private Brand products, please refer to sub-chapter 4. "Promoting Good Health through Food".</p>
	<p>Continue to develop programmes promoting the Mediterranean Diet and awareness for reading food labels amongst consumers.</p>	<p>In progress. In Portugal, Pingo Doce maintained its commitment to the magazine "Sabe Bem" ("Tastes Good") and the "Novidades da Nossa Marca" ("Novelties of Our Brand") leaflets, with 160 thousand and more than 350 thousand copies, respectively, of their average circulation, highlighting the healthier preparation of products and the offers of the Pingo Doce brand. In Poland, the campaign "Czytaj Etykiety" (Read the Labels) was promoted along with the Polish Institute for Food and Nutrition and information leaflets were distributed in all Biedronka stores. In selected stores nutritional advice was given by specialists.</p> <p>For more information about campaigns carried out please refer to sub-chapter 4. "Promoting Good Health through Food".</p>
	<p>Increase the number of references of the lactose and gluten free ranges, in Private Brands in Portugal and Poland.</p>	<p>In progress. This year, 13 gluten-free references and two without lactose were launched in Poland. In Portugal, seven references of the brand Pura Vida "0% Lactose" were launched.</p>
	<p>In Portugal, ensure that products intended for children have a higher nutritional profile to market benchmark.</p>	<p>In progress. Two of the yoghurt references targeted at the children's segment, "Petit Líquido", saw their fat content reduced by over 55%, thus avoiding over two tonnes of fat being placed on the market. Vitamin D, essential for bone formation, was also added to these yoghurts.</p> <p>Given the benchmark, and for each 100 grammes of product, in the case of the Strawberry reference, the fat content is 14% less and the fruit content 80% higher. Also in the Strawberry-Banana reference there is a fat content of 10% less and 15% more fruit.</p>
	<p>In Portugal, develop and implement nutritional information in the Meal Solutions area.</p>	<p>In progress.</p>
	<p>In Portugal, in the Meal Solutions area, test meals for consumers with special dietary needs or those looking for other food options.</p>	<p>In progress. During 2015, seven meals of dishes targeted at vegetarians or consumers seeking healthier options were tested. Every week these are available in the Pingo Doce restaurants.</p>
	<p>In Portugal, continue to develop and implement nutritional information in the Bakery.</p>	<p>Accomplished. All Pingo Doce's Private Brand packed references had nutritional information on their packaging.</p>

Action pillars	Commitments for 2015-2017	Progress
 Respecting the Environment	Reduce the Group's carbon footprint by 2% in the 2015-2017 three-year period (per €1,000 of sales), compared to 2014.	In progress. In 2015 the reduction of the Group's carbon footprint (per €1,000 of sales) was 5.8%, compared to 2014.
	Make an annual reduction in the consumption of water and electricity of 2% per year (comparing the same store network in Portugal and Poland).	In progress. In 2015, water and energy consumption had an increase of 1.5% and of 1.0%, respectively, compared to 2014 (considering the same store network in Portugal and Poland).
	Reduce the amount of waste sent to landfill by 5 p.p. in the 2015-2017 three-year period, compared to 2014 (objective measured using the ratio amount of waste recovered/total amount of waste).	In progress. In 2015, there was an increase of 0.6 p.p. of waste sent to landfill when compared to 2014.
	Increase the number of locations with environmental certification (at least 20).	In progress. The number of DC in Portugal with environmental certification remained at four. In Poland there are 13 DC with environmental certification.
 Sourcing Responsibly	In all brands, ensure continuity of the sourcing of at least 80% of food products from local suppliers.	In progress. In 2015, the Food Distribution banners in Portugal, Poland and Colombia met this commitment by buying at least 80% of food products from local suppliers.
	Continue to introduce sustainability certificates (UTZ certification, Fairtrade, MSC, EU-Ecolabel or others) for at least: <ul style="list-style-type: none"> • Private Brand (two products); • Perishables (four products). 	In progress. The Group launched five Private Brand references with UTZ certified cocoa (two in Portugal and three in Poland). Pingo Doce launched a reference of cod (<i>Gadus morhua</i> species) from Norway, certified by the Marine Stewardship Council (MSC) and three new cleaning UltraPro detergent references with the EU-Ecolabel European ecological certification. Biedronka launched a fresh cod loin reference certified by the MSC.
	Reduce by 5% the presence of palm oil in the total sales of Private Brand products.	In progress. The calculation of the presence of palm oil and the assessment of the countries of origin of the commodities production (soy-beans, beef, timber and paper) are made during the preparation of the official response of the Group to the Carbon Disclosure Project (CDP) index, in the Forests segment. This is one of the Group's commitments, undertaken at The Consumer Goods Forum to reach "Zero Net Deforestation" by 2020. For details on the actions of the Group in this area, information will be made available during the first half of 2016 at www.jeronimomartins.pt and at www.cdp.net .
	Reduce by 5% soy, beef, wood and paper products from countries at risk of deforestation.	



Pilares de Actuação	Compromissos 2015-2017	Progresso
 <p>Supporting Surrounding Communities</p>	Monitoring and dissemination of the social impacts resulting from the supports offered, according to the London Benchmarking Group model (LBG).	Accomplished. The results are reported by the Group at www.jeronimomartins.pt .
	In Portugal, start at least one project of community investment per year, aimed at children, young people or older people from vulnerable environments.	Accomplished. Support for the Academia do Johnson (Johnson's Academy) community project was started. For more details, see sub-chapter 7. "Supporting Surrounding Communities".
	In Poland, strengthen the involvement in social projects, focused on children, young people and older people from vulnerable environments.	Accomplished. Various social projects were continued, including Hope for the Euro, that aims to support the development of institutionalized children from families with economic difficulties.
	In Poland, further develop the programme to combat child malnutrition, under the project <i>Partnerstwo dla Zdrowia</i> (Partnership for Health): - increase the number of schools by at least 5% in each academic year.	Not accomplished. In 2015, in this multi-stakeholder platform, the increase of schools covered by the programme <i>Sniadanie Daje Moc</i> (Breakfast Gives You Strength) was of 1.4%, which corresponded to 100 schools. A total of 7,300 were included in this programme, a figure that represents over 60% of primary schools in the country. The programme objectives are to strengthen the commitment to the schools covered and to invest in more communication campaigns. Throughout 2016 this target will be reviewed with regard to its annual target.
	In Colombia, continue to support the programme <i>Madres Comunitarias</i> (Community Mothers), supporting two community nurseries for each Ara store opened.	Accomplished. The programme was expanded to another 147 nurseries – in conformity with Ara's expansion, regularly supplying food products to a total of 262 community nurseries. The number of children covered increased by over two thousand to around 3,400 children.
 <p>Being a Benchmark Employer</p>	In Colombia, extend the involvement in social projects such as Aldeas Infantiles SOS Colombia (SOS Children's Villages) and the Abaco Foundation for the donation in food products.	Accomplished. The Aldeas Infantiles SOS Colombia (SOS Children's Villages) project was extended to the second region of Ara operations, in the Caribbean Coast. Being an indirect support, through the voluntary rounding up of the value of customers' purchases for this cause, more than 950 children and 675 families were supported in the municipalities of Ríosucio and Bolívar. To find out more, see sub-chapter 7. "Supporting Surrounding Communities".
	Following the commitments made for the previous three-year period and with the continued tough and very challenging economic environment for the employees' families, particularly in Portugal and in Poland, the strategic focus will remain on: i. continuously improving the employees' working conditions; ii. supporting the quality of life of our families in the different geographical areas in which we operate.	In progress. Re-launch of the Employee Assistance Service in Poland, as a support channel in implementing the Code of Conduct and in the processing of requests for help. A salary review model was developed and implemented, aiming to foster internal fairness and to give priority to salary increases depending on the employee performance. The Internal Social Responsibility area has launched new projects, including: – <i>Mais Vida</i> (More Life), aimed at getting a second opinion for cancer patients, be they employees, spouses or children. – Go to School with Biedronka through which the costs of the school books of the children of employees in a difficult economic situation are reimbursed at 80% of their value. To find out more, see sub-chapter 8. "Being a Benchmark Employer".

10. THE GLOBAL COMPACT PRINCIPLES



The United Nations' Global Compact Principles		Jerónimo Martins Annual Report
1	Businesses should support and respect the protection of internationally proclaimed human rights	Chapter IV. "How we make a difference"; sub-chapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
2	Make sure that businesses are not complicit in human rights abuses	Chapter IV. "How we make a difference"; sub-chapter 6. "Sourcing Responsibly" and sub-chapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Chapter IV. "How we make a difference"; sub-chapter 6. "Sourcing Responsibly" and sub-chapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
4	Businesses should uphold the elimination of all forms of forced and compulsory labour	Chapter IV. "How we make a difference"; sub-chapter 6. "Sourcing Responsibly" and sub-chapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
5	Businesses should uphold the effective abolition of child labour	Chapter IV. "How we make a difference"; sub-chapter 6. "Sourcing Responsibly" and sub-chapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
6	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Chapter IV. "How we make a difference"; sub-chapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".
7	Businesses should support a precautionary approach to environmental challenges	Chapter III. "How we are organised"; Part I, Section C, subsection III. Chapter IV. "How we make a difference"; sub-chapter 5. "Respecting the Environment".
8	Businesses should undertake initiatives to promote greater environmental responsibility	Chapter IV. "How we make a difference"; sub-chapter 5. "Respecting the Environment" and sub-chapter 6. "Sourcing Responsibly".
9	Businesses should encourage the development and diffusion of environmentally friendly technologies	Chapter IV. "How we make a difference"; sub-chapter 5. "Respecting the Environment" and sub-chapter 6. "Sourcing Responsibly".
10	Businesses should work against corruption in all its forms, including extortion and bribery	Chapter III. "How we are organised"; Part I, Section C, subsection III. Chapter IV. "How we make a difference"; sub-chapter 8. "Being a Benchmark Employer", section 8.2. "Principles and Values".



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